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HE MAGAZINE OF 10DERN MARKETING

AUGUST 1, 1935

WENTY CENTS



GARBAGE EATER: G-E sounds the knell of the troublesome garbage can as it introduces a new electrical device which grinds waste and flushes it away in the sewage stream. It will gobble up citrus fruit skins, chicken bones and chop bones with equal facility. The unit will be manufactured at the Ft. Wayne plant under the direction of M. T. Bard.



K. T. KELLER takes the helm as president of Chrysler, as the company announces, for January-June, announces, for January profits record the fattest sales and profits history.



FOUR OUT OF FIVE: Leonard Firestone, third of five sons of Harvey S., becomes the fourth to join company ranks at Akron. He is now trade sales manager for the tire and rubber firm.



SILVER SELL-EBRATION: Western Clock Company this fortnight celebrated Big Ben's twenty-fifth birthday with a huge birthday cake and a lively sales convention. Introduced in 1910, Big Ben has been advertised on Page 1 of the "Saturday Evening Post" every four weeks for 25 years. Old-timers in the jewelry trade may remember Big Ben's first birthday, when hundreds of dealers received birthday cakes to celebrate the infant's successful first year.

Cold Facts for Warm Days

-and the coldest of all come from NBC!



You know Joseph P. Data, the agency space buyer who minds the millines and encircles the circulations of the country's advertising mediums? Well, Mr. Data has been just like that with us since we published "NBC Network Aireas"—the book which brought calm to the chaos of radio claims and added years to the lives of informed space buyers.

Mr. Data 'phoned us only yesterday for a few icy cold facts which he wanted to apply to the fevered brow of an importunate client. Here are his questions (which may well be of interest to you, too), and our sworn answers, so help us! They *prove* leadership that no unsupported claims can successfully challenge.

HOW MANY OF THE 100 LEADING ADVERTISERS USE NBC NETWORKS? Of 100 leading advertisers in all mediums in 1934, 70 used network broadcast advertising and of these 50 used NBC.

Program traffic per NBC outlet, from March 24 to April 20, 1935, averaged 11 hours, 36 minutes daily. 4 hours and 16 minutes were sponsored programs—7 hours and 20 minutes were sustaining.

NBC associated stations is 1,610,350 watts. The average power of these NBC stations is 18,291 watts. There are 17 NBC associated stations of 50,000-watt power, and one station of 500,000-watt power on its networks.

HOWARE THE SUPER-POWER STATIONS DISTRIBUTED IN KEY MARKETS? NBC 50,000-watt stations are located in major markets of the country including New York, Chicago, Boston, Hartford, Pittsburgh, Cleveland, Schenectady, Rochester, Des Moines, Atlanta, Nashville, Dallas-Fort Worth, San Antonio, Denver, San Francisco, Los Angeles and Cincinnati (500,000 watts).

For additional frigid facts, just speak up

NATIONAL BROADCASTING COMPANY, INC

A RADIO CORPORATION OF AMERICA SUBSIDIARY . NEW YORK . WASHINGTON . CHICAGO . SAN FRANCISCO

We'll Save You a Trip to Washington

The time has passed when a business man can say that he isn't interested in what Washington is doing. It is like saying that a manufacturer is not interested in policies which affect labor; like a retailer saying that he is not interested in the preferences of consumers. That's true whether Congress is in session or out.

Today Washington has a direct and important influence on almost all business operations. You cannot plan for the future—you cannot set sales policies—or credit policies—or plan expansion—unless you know what Congress is doing.

After legislation is passed you must know just exactly what effect its rules and the regulations and interpretations made by the Administrative bureaus will have on your operations and on those of your customers.

"Knowledge is power" never meant more than it does today as it relates to the business man knowing what Washington is doing.

CONGRESSIONAL INTELLIGENCE is a factual Washington service which not only keeps you informed of what is going on by easily-readable, interesting bulletins twice a week, but it answers all your inquiries, checks any rumors you hear, gets information for you which ordinarily you would have difficulty in getting for yourself—even if you went to Washington for the purpose.

It acts as your eyes and ears in Washington.

It may well save you many a trip which you would ordinarily take to Washington, by supplying you the information you want upon request either by letter, telegram or telephone.

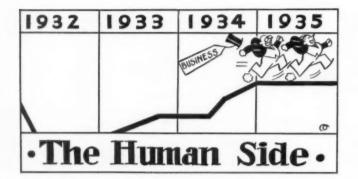
CONGRESSIONAL INTELLIGENCE is a unique service. Hundreds of the largest corporations in America have used it for years.

We will gladly send further information if requested on your letterhead.

CONGRESSIONAL INTELLIGENCE, INC.

1731 H Street, N. W. Washington, D. C.

Room 400, Graybar Bldg. New York City, N. Y.



Penitential Paper

Warden Lewis E. Lawes of Sing Sing has a new job, certain convicts who can write interestingly about their confinement have a new source of revenue, and various barristers, criminologists and detectives have a chance to inform a large section of the public about crime and criminals in a monthly magazine, Prison Life Stories.

Warden Lawes, editor, also has contributed for the first issue an article titled "Legal Larceny." This issue—150,000 copies should be on the newsstands by now. J. Edgar Hoover, head of the U. S. Bureau of Investigation, not only occupies the cover but has an article on "G-Men." Among others in this issue are Sanford Bates, director of the Bureau of Federal Prisons, Sheldon Glueck, professor of criminology at Harvard, and a lifer.

Tewhlel Publications, Inc., 120 West 42nd Street, New York, are sponsors, with Theodore Epstein, publisher and promotion man, president, and Louis Foreman, lawyer, secretary-treasurer. Charles H. Desgrey, former president of Macfadden Publications. is advertising manager, and A. R. Roberts, erstwhile editor of Movies, associate editor.

Miss Roberts told us about Prison Life Stories' philosophy. It will be neither morbid nor glorifying, but factual. It will point a moral. It will not be another of those pulp-paper, fancy-free efforts to cover a specific phase of human daring or devilment. The paper, in fact, is coated stock. First issue runs 100 pages, seven of which are paid advertising. Among initial advertisers are Remington Rand, Postal Life, Alexander Hamilton Institute and Kelpamalt.

Lawes has been one of the more vigorous advocates of sane treatment of convicts, in the public interest and their own. The group hopes to institute a "new deal" inside prison walls and among ex-convicts whose chances, they think, are still too much walled-up by public prejudices.

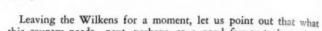
Family Whisky

In his 43 years as a distiller, Harry E. Wilken, Sr., has produced 380,000,000 gallons of whisky. The

Schenley Products people think this is a record for any single man. Mr. Wilken has spent the time with this and its predecessor companies. He is still hard at it at Schenley, Pennsylvania.

Also with him there are his two sons-Harry, Jr., 26, a distiller; William, 28, a blender. His son-in-law, Tom McConnell, is an engineer with Schenley, and daughter Gertrude is a Schenley accountant. (Incidentally, Mr. Wilken, Sr.'s father was a distiller before him.)

They are all capable, sociable, home-



loving folks - including Mrs. Wilkens. A "typical" American

family.

this country needs-next, perhaps, to a good five-cent cigar-is a good \$1 blended whisky. Or so the Schenley people believed. Their success with Old Quaker straight whisky at \$1.09 has led them to prepare, under Mr. Wilken's direction, a new blend.

It will retail for 98 cents-so that even in states where there is a sales tax it will never be more than \$1. This will allow 15% for distributors, 40% or more for retailers, and something for

It will be named "Wilken Family Whisky." Wilken pere and both Wilkens fils will appear on the label. The entire family, including Mrs. Wilken, will appear in the advertising. There will be one insertion, for example, showing them all at a family birthday party. Another of father and the boys out fishing. On a recent visit Schenley advertising executives took the pictures themselves, of the Wilkens doing things they like to do. There was, it is said, nothing "faked" or posed about them.

The campaign will open this month in Greater New York and New England, where about 60 papers will be employed. Then it will be expanded to other sections.

The home life of the Wilkens will be known to a lot of other regular folks soon.

Further Afield for Fields

Orders totaling \$570,000 were booked by Marshall Field & Company's experimental "merchandise special," the first modern rail caravan ever to invade the buying provinces of America, on its trip through the South. So successful was the trip that the train, after a few days' layover in Chicago, will be sent to all important merchandising centers of Wisconsin and Minnesota. It will go as far north as Minneapolis and St. Paul:

The train arrived home from its Southern trip ton July 26. As soon as it returns from the Northern trip it will be sent East, probably as far as the Atlantic Seaboard.

On its trip through the South average sales for a day ranged as low as \$225 and as high as \$3,000. The number of buyers visiting the train in a single day varied from a low of 192 to a high of more than 1,000.

Officials of the company voiced much pleasure in the fact that a large proportion of the houses placing orders had never bought from Marshall Field before and many of them had never bought in Chicago. D. J. O'Grady, in charge of the train, said:

"Our volume of orders was much larger than we had expected or dared to hope for. That means that the success of our adventure has been bigger than we expected."

Wilken Family: Both in the boat and on the bottle

Dissatisfied Buyers

The more complete your advertising story, the more customers will respond to it, Charles C. Stech, New York research man, has found in interviews with 2,500 women in Greater Boston. It was a ready-towear clothing study, involving several stores and several newspapers there; but the findings may be of interest to all who have advertising stories to tell.

Fifty-five per cent of the women said that department store advertisements should describe merchandise more carefully.

SALES MANAGEMENT, published semi-monthly on the first and fifteenth except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. August 1, 1935. Volume XXXVII. No. 3.



Mr. Manufacturer, we give you the Mortons—every day in the Chicago American. This family, typical of hundreds of thousands of other AMERICAN families, is just about the best sort of business prospect you can find in Chicago. It isn't so upper class as to be limited in number. It isn't so poor as to be limited in buying power. The Mortons are an average middle class family, the most profitable, most faithful type of customer a manufacturer can have.

Definitely, the Mortons mean business. They're in the market for everything. Equally true, they're not in the market for anything about which they know nothing. They're much too modern to guess about cars or drugs or cosmetics or refrigerators—or what have you to sell, Mr. Manufacturer?

Multiply the Mortons by hundreds of thousands and you'll have a good sound idea of the American's audience. It is a big, powerful circulation—indeed the largest number of readers it is possible for you

to reach at night in Chicago. In market language, it represents half of the buying power of Chicago. In other words, every other prospect for your merchand is ereads the American. Ignore them, and half of your sales battle is lost before you even begin. So, Mr. Manufacturer, advertise to the Mortons—for many happy returns. For as the Mortons go, so goes Chicago.

CHICAGO AMERICAN

. . more Buying Power to you

NATIONAL REPRESENTATIVES: HEARST INTERNATIONAL ADVERTISING SERVICE

Rodney E. Boone, General Manager

a a

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it

Management 1

Vol. XXXVII. No. 3

August 1, 1935

CONTENTS

CONTENTS	
Advertising	
Advertising Jumps Room Sales for Chicago's Pal-	
Interest in A & P Special Contracts Stimulated by	
Pending Patman Bill	98
Kellogg, Campbell, Cudahy Packing, Quaker Oats Among Those Having No Special Contract	0.0
with A & P	99
Sales "Stunt"	113
Economical-Cunningham Drug Stores, Inc., Detroit S.O. Spectaculars, Lighted Signs Tie in with Day-	
By Lester B. Colby	106
General	
More Ideas About the Proposed National Sales Executives' Club	112
Executives' Club Radio Starts Bright Season; Prospects Tangled by "Battle of the Tubes"	116
"Battle of the Tubes" Sales Signposts on the Transcontinental Trail By Walter E. Mair, Field Editor	117
Significant Trends	95
Management	
Methods that Pull Companies Above Goose-Step Competition	
Market Research	
Just How Do Shifts in Media Affect Cigarette	
Sales? By Pauline Arnold, Vice-President, Market Research Corporation of America	102
Sales Campaigns	
Gebhardt Tests Money-Back Guarantee in Coast	
Sales Drive	120
By Lawrence M. Hughes	100
Salesmanship	
How Many "A" Prospects Are on Your "NG"	101
By Bruce Crowell Departments and Services	
•	122
Magazine and Radio Expenditures	
Media and Agencies	124
Sales Letters	128
The Human Side	
Tips	
	131

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other 45% were considered to be "satisfied."

Of the "satisfied," 72% bought when they went into the store to see the advertised merchandise. Of the "dissatisfied," only 58% bought.

The proportions held true with each of five stores. In store A 70% bought, though 57% were dissatisfied. This store, which apparently took the greatest care in describing its merchandise, Stech showed, "not only attracts a larger proportion of the dissatisfied group than any other store, but also has the smallest percentage of customers who walk out without buying."

In store B, 66% bought, 56% were dissatisfied. For three other stores the percentages were, respectively, 65 and 54, 61 and 52, 58 and 49.

The principal reason why customers did not buy after going in to see advertised merchandise in the various stores was "style not attractive enough." With five of the stores this ranged from 27 to 30%. With one of the stores this was tied as the principal reason—28%—with "selection not large enough to choose from."

In a higher priced store, however, "style" was given as the reason for not buying by only 9%. Here the principal reason—55%—was "not worth the price." 15% said "selection not large enough."

Among the larger stores "selection not large enough" ranked second as the reason, ranging from 18 to 28%.

Ghostly Business

If you are called on to say something, written or orally, Fred E. Baer and Henry F. Wood will bring a specialist in well-chosen words on particular subjects to your aid. They operate the Ghostwriters' Bureau, at 17 East 49th Street, New York.

Launched in February, 1933, when Mr. Baer thought his publicity business was going to pot because executives refused to be quoted, the bureau was intended to make the necessary public remarks of prominent people more interesting and foolproof.

The bureau now has 117 writing specialists on its rolls—specialists in merchandising, engineering, science, architecture, finance and what not. It gets about 1,200 calls a year for help on speeches, books, articles, reports.

Professional people, Mr. Baer told SM, use the service, perhaps, more than business executives. Among the latter, general agents of insurance companies, seeking inspirational material for salesmen, are most numerous.

Some of the clients are really bigwigs. "You'd be surprised," said Mr. Baer, "at the number of talks before the Union League Club which we have written. Sometimes we merely edit manuscripts—putting a bit of punch in them. Sometimes we don't even do that. An executive of a company in the clothing field asked us to read and criticize a manuscript of a talk he had written for delivery before the Harvard Business School. It was so good we had nothing to criticize. But he was grateful for the support which our complete approval gave him.

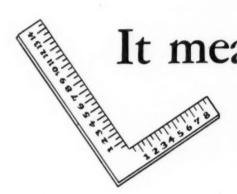
"Most jobs are harder, of course. For one article, on imports and tariffs, we searched newspaper files of 14 years, and then wrote it up.

"When we started the Ghostwriters' Bureau our charges to clients, depending on the difficulty of the job, ranged from 4 to 11 cents a word. They were too stiff. It took us eight or nine months to realize it. We now charge $1\frac{1}{2}$ to 6 cents. The client pays us an agreed amount; we pay the writer an agreed amount. The bureau functions on the difference.

"The bureau has been advertised almost every week from the start with one-inch ads in New York newspapers. Because of the nature of our work we have to expand through advertising. We can't grow through recommendation. People don't like to admit they employ specialists to do their writing for them.

"The business is growing moderately. We enjoy the work, despite the anonymity."





It measures up as a Real TEST MARKET

In taking the measure of the Indianapolis Radius as an ideal test market for your products, let's consider the consumers first: there are nearly two million of them . . . well-informed, progressive . . . 92 per cent are native-born white and 98.3 per cent are literate. They have common customs and buying habits and their living conditions are comparatively high . . . their buying power is stabilized by unusual diversification of agriculture and industry.

Second, distribution: easy, because Indianapolis is the jobbing center of the entire state and ample retail outlets are provided by Indianapolis and the many villages, towns and cities in the 70-mile Radius.

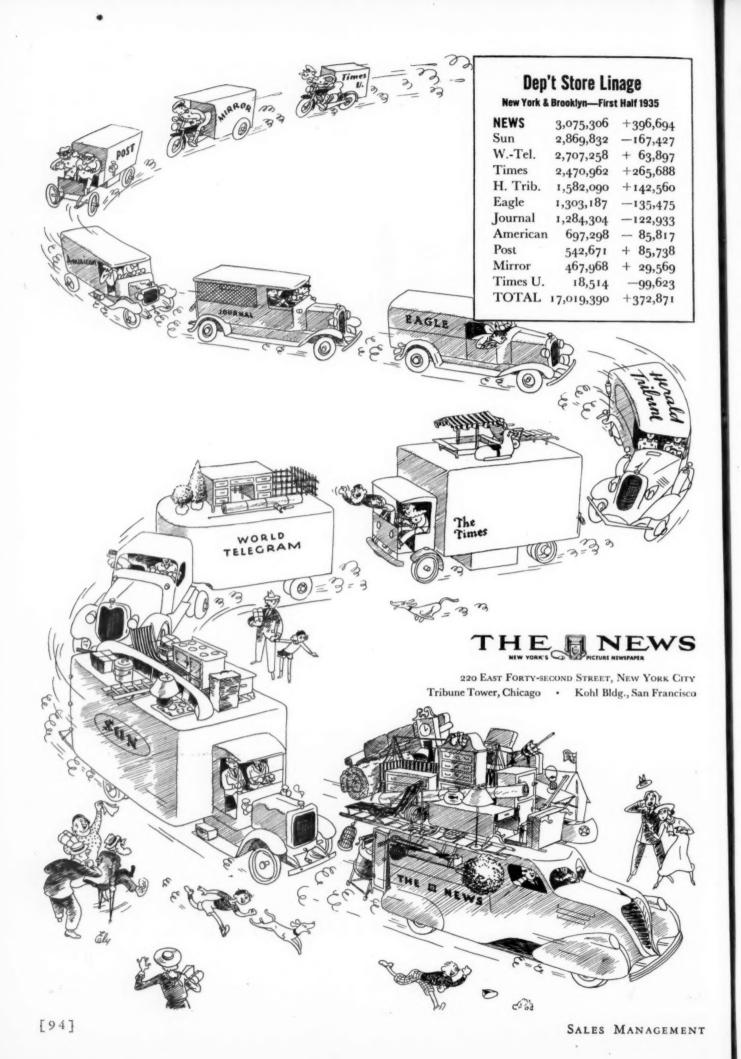
Third, cost of advertising coverage: low, because The Indianapolis News, with its adequate coverage of the market—with its circulation 97 per cent home-delivered—can do the advertising job ALONE.

The Indianapolis News

sells the indianapolis radius

WEW YORK: Dan A. Carroll, 110 East 42nd Street

CHICAGO: J. E. Lutz, 180 North Michigan Ave.



Significant Trends

As seen by the Editors of Sales Management for the fortnight ending August 1, 1935:

Exceptional Summer Activity may still be

An even greater than normal Summer slackening in business ahead of usbut the prophets

of gloom up to now have proved to be wrong.

- As a result of the hot spell and the largest tourist traffic since 1930, July retail trade in most parts of the country was ahead of comparable totals for a number of years. New York and Brooklyn stores, for example, were 6.2% ahead of last year for the first half of the month.
- And there is very encouraging news from the heavy goods industries, which have been so slow in showing any appreciable uptrend. Bookings of the General Electric Company in the last quarter reached a new peak since the third quarter of 1931. Orders on hand of the American Car & Foundry Company are the largest in several years. Westinghouse billings during the third quarter were up 33 1/3% over last year, and net profits increased from \$1,744,427 to \$3,938,692.
- The rebound of steel activity since the holiday is the most spectacular ever experienced in mid-Summer. Production has recovered all of the ground lost since the middle of May. This contra-seasonal gain at a time which is normally a period of greatest dullness is particularly significant since it was accomplished without any particular aid from the automobile trade. Farm machinery manufacturers—operating at a high rate of capacity—continue to be one of the most active consumers. Prices of steel scrap are forecasting increased steel activity.
- • The index of electric power production zoomed last week to the highest point since October 5, 1929, and is now 5.1% above the 1929-30 average.
- July 17 is the exact middle of the Summer and, according to the expectations of most people, is about the dullest day of the year. Yet the New York Times of that day carried an exceptionally large number of favorable business news items. If these items portray dullness, what shall we expect in October? The daily average of 50 combined stocks reached a new high for the year (a few days later the average went to the highest point since 1931)—"Steel activity back to pre-holiday level with demand sustained in nearly all directions"—"Earnings of the Hudson Motor Company for the second quarter were the largest for any quarter since 1931"-"634,961 Fords were sold in the United States during the first six months" -"Merchandise sales for the past six months the largest since 1931"—"Fuel stocks decline although crude oil output for the week is up"—"Volume of sales up in bond market"—"General Electric earned 40 cents a share on common stock compared with 28 cents the previous year"-"Increased earnings also shown for Schenley Distillers Corporation, Johns-Manville Corporation, Barker Brothers, Caterpillar Tractor, Cutler-Hammer, Inc., Houdaille-Hershey Corporation and Kimberly-Clark Corporation."

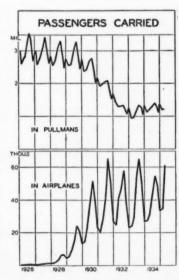
- • The editors of Economic Statistics find that the supply-demand conditions and the price situation are favorable in most industries, and "we expect the upward trend that has been recorded in business activity over the past two weeks to be continued over the next few months."
- The Brookmire Economic Service continues to revise its income estimates upward and now places income for the next six months at 17% above the same period last year. This organization believes that the greatest possibilities for sales gains will be in certain of the Middlewestern states—outstanding state increases (in percentage) being Michigan, 35; Indiana, 29; Wisconsin, 29; Iowa, 29; Ohio, 26; Minnesota, 25, and Illinois, 18. Other states appreciably above the national average, according to Brookmire estimates, are Rhode Island, 24; New Jersey, 24; Maryland, 23; California, 23, and Connecticut, 20. Increases are forecasted in every state in the Union, except Wyoming, Colorado and New Mexico.
- Irving L. Koch, examiner for the Interstate Commerce Commission, has proposed to railroads that passenger fares be reduced to 2 cents a mile in coaches, and 3 cents in Pullman cars.

Ford Shares the Wealth

As he handed newspaper men production figures for the first six months of the year, Henry Ford said,
"My biggest job these
days is in distributing wealth in a form that peo-

ple can use." Last November he announced that he would build a million cars, or better, in 1935. In the first six months the Ford Motor Company built 810,700 units in the United States and Canada. He added: "There are many things that lead us to be hopeful for the next six months, but we are not dead certain. We are just doing the best we can."

This chart from the business bulletin of the Cleveland Trust Com-pany shows graphically the growth in air travel as compared with the decline and the stabiliza-tion at a low level of Pullman traveling. Current travel in Pullmans is running at a level less than half as great as in the years before the de-pression, although Pull-mans still carry 33 pas-sengers for each one carried by the air lines. In both number of passengers carried and num-ber of pounds of air express flown, the air lines for the first six months of the year show in-creases of nearly 40% over 1934.



- Half-year output of all motor manufacturers was 2,348,606 cars and trucks, as against 1,796,423 in the same period last year.
- Building permit values in June established a new peak since December, 1931—and the same thing can be said of the first six months. Building permit figures for the half-year were 80.4% above the depression low of 1933, and 51.3% above 1934, but the totals are still small as compared with normal years.
- Regardless of what the Supreme Court does when it receives the suit on the processing tax, farm income during the next 12 months will not be affected. Contracts with farmers are not contingent on the processing tax. Farmers have carried out, or are in the process of carrying out, their part of the agreements. The President has authority, even if processing taxes should be permanently discontinued, to make benefit and rental payments under present contracts out of the four billion dollar relief works appropriation.

Price Times Volume Makes Up Farm Income partment of Agri-

Prices compare favorably with last year-and current estimates of the United States Department of Agristartling increases

in the volume of crops forecast for the current year.

July 10—Major crops for 1935 are estimated in million bushels:

														1935	1934
Corn .		0	0	0	0	0	0		0		0	0		2,045	1,377
Wheat									٠		0			731	497
Oats								۰						1,266	529
Barley															118
Apples														170	120
Potatoe	5				0		0		0		0	0	0	368	385

It looks as though we should save our pity for the poor folks who have to buy from the farmer.

- In selling the largest number of cars for any six months in its history, the Chrysler Corporation made a net profit of \$18,659,309, or \$4.31 a share on its common stock. If Mr. Chrysler refuses to be limited by business conditions," why should the rest of us?
- Car loadings figures last week showed a substantial increase over the corresponding week last year, and this trend may be expected to continue well into October. More normal crop conditions contrasted with the serious drought last year are largely responsible for the promising upward trend in loadings. Added factors are the contraseasonal demand for steel, and the high rate of activity by the major motor manufacturers.
- Life insurance sales in the following states for June were higher than those in the corresponding month last year, according to figures compiled by the Life Insurance Sales Research Bureau: Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, Delaware, District of Columbia, South Carolina, Kentucky, Montana, Idaho, Arizona and Nevada.
- Total dollar volume of department store sales in June was larger than a year ago by 4%, with the following Reserve Board districts showing the best increases: San Francisco, 12; Kansas City, 11; Minneapolis, 10, and Richmond, 5. There was very little change in the dollar

volume, although usually there is a decided decline. Consequently the Federal Reserve Board's index, which makes allowances for differences in the number of business days and for usual seasonal movements, went to 80 in June, on the basis of the 1923-1925 average as 100, compared with 76 in May, and 74 in June, 1934.

The acceleration in business is likewise shown by Federal Reserve Board bank debits figures which, for the week ending July 17, were 30% above the total reported for the preceding week, and 13% above the total for the corresponding week last year.

Not Enough Children

According to a very interesting article in the August Country Gentleman, by Dr. O. E. Baker, there are no longer enough children being born to maintain

the population of the country at its present level. Where 2,950,000 children were born in the United States in 1921, only 2,260,000 were born in 1933. The greatest loss is in the cities-those of 100,000 population and over falling more than 20% short of reproducing themselves. In the rural sections the nation's numbers are being maintained, and in 1934, for the third successive year, the farm population represented the highest total in our history.

- The article points out: "The period of practically stationary population the nation has entered could be characterized by exceptional prosperity if our economic machinery could be geared to take advantage of it. For there will be a larger proportion of the population in the most productive age groups than there has been, or will be again, in any visible time. The numbers of unproductive children will be greatly reduced, permitting a diversion of funds for the purchase of goods and services, while time will not yet have brought the full harvest of the aged."
- According to a survey made by Standard Statistics Company, Inc., the New England and Middle-Atlantic sections have shown a progressive decline in relative industrial importance since the end of the World War. The most striking gains have occurred in the Pacific, South Atlantic and East South Central sections. The fol-lowing table compares the percentage of total values of manufactures for 1921 and 1933 (last available year) in the various broad geographical divisions of the United

	% of	Total
	1922	1933
New England	11.3	9.8
Middle Atlantic	33.5	29.7
East North Central	27.0	28.2
West North Central	8.0	7.6
Pacific	5.5	6.4
South Atlantic	6.8	9.8
East South Central	2.5	3.2
West South Central	4.0	4.0
Mountain	1.4	1.3

The better state of the farmers is exemplified in Sears, Roebuck's sales-up 38.9% during the last four weeks as compared with the year before. Trade reports in the Chicago wholesale district indicate that retail business during the second and third weeks of July was the best for the period since 1930. Reports indicate a tremendous increase in tourist travel, and this is reflected in the increased buying of seasonal merchandise. Reports from the retail front state that retail trade has been so good that the carryover will be virtually nil.



JUDGES AT WORK: Both patience and fortitude are required of those who must judge almost any of today's broad-scale prize contests sponsored by manufacturers. (Above) The Calox jury reviews entries for \$25,000 worth of prizes. Left to right are: Jerry McQuade, editor, Drug Topics; Mrs. Christine Frederick, household science editor, The American Weekly; H. M. Faust, Curtis Publishing Company. (Below) The Frigidaire jury picks a Californian as winner of the \$1,000 first prize for a slogan. Left to right: Katharine Clayberger, associate editor, Woman's Home Companion; K. C. Clapp, editor, Home Ware; L. E. Moffatt, editor, Electrical Merchandising.

Sales Parade



DOUBLED SALES: When H. T. Poindexter & Sons Merchandise Company, Kansas City, attached this traveling sample room to a salesman's car, business for the average working day promptly doubled. On its tryout trip through Oklahoma, the trailer made four times the peak sales hitherto recorded in that area. Cost of trailer: \$1,000. Expense of running: only slightly higher than for the salesman's car itself.



SPECTACULAR: Taller than a ten-story building is this newest addition to Chicago's night skyline. Seagram's President, H. I. Peffer, turned it on at unveiling ceremonies July 29.



PICKED BY RCA: Eugene Deacon (left) becomes general sales manager of the RCA Radiotron Division. He was for-merly general manager of In-terwoven Stocking Company, and before that was identified with Curtis Publishing Com. pany's merchandising depart. ment.



MODERNIZED: Briggs Manufacturing Company startled the trade at the plumbers' show in Chicago with a new line of kitchen and bathroom equipment. Besides the kitchen cabinet sink, dish washing machine, and refrigerator in this model kitchen, you'll see the new round electric stove which rolls on casters and permits cooking from any angle.

YEAST SALESMAN: James Roosevelt (right), son of the President, heads the National Grain Yeast Company of Belleville, New Jersey. Associated with him in the management of the company are David K. Bruce, son-in-law of Andrew Mellon, and Richard Cleveland, son of President Cleveland. Frank L. Chambers has been made vice-president in charge of sales.



Wide World

Interest in A & P Special Contracts Stimulated by Pending Patman Bill

HE Patman Bill, R. H. 8442, is quite likely to have been reported favorably out of committee by the time this appears in print; it stands a good chance of passing the House, and a fair chance of passing the Senate this session. These facts doubtless explain the intense interest shown by executives outside the food field in the list of special contracts between A & P and 343 manufacturers-reported exclusively by SALES MANAGEMENT July 15.

For example, Lee Bristol, vice-president of the Bristol-Myers Company, and past president of the A. N. A., wrote, "Permit me to congratulate you. You certainly pulled a scoop in the form of that pink supplement on those A & P figures, and I'll bet a lot of executives' faces are plenty red! Or

else they should be.

All records in the way of reader response in the SALES MANAGEMENT office were smashed to smithereens by the publication of the unexpected and much-wanted list of A & P special contracts as a pink insert in the July

Within less than 24 hours all extra copies of the complete issue were sold out and our circulation department was BY

PHILIP SALISBURY

Executive Editor, SALES MANAGEMENT

in a state of siege. The printing plant received call after call for more reprints. Orders ranged all the way from modest requests for from one to six copies up to several for a thousand or more. Orders continue to pour in as we go to press with this issue.

An editorial in the New York Journal of Commerce, Friday, July 26, said in part, "Probably no trade development in the food and grocery industry within recent years has aroused as deep and widespread interest as the already famous 'pink sheet,' listing special discounts and advertising and brokerage allowances granted A & P by many manufacturers."

As might be expected, the most intense interest was shown by food executives and others directly interested in food advertising. The subject of advertising allowances came in for the most spirited discussion, with quantity discounts and brokerage payments occupying lesser roles. Probably the most emphatic comment was the "plain nuts" characterization applied by Jim Knox in the telegram reproduced on this page. But plenty of others were frank and forthright. Edward E. Hills, president of Hills Bros., coffee, wired:

HILLS BROS OF SAN FRANCISCO DIS-TRIBUTE THEIR PRODUCT THROUGH HILLS BROS COFFEE INC AND HAVE
NOT AT ANY TIME PROVIDED ATLANTIC AND PACIFIC STORES OR
ANY OTHER BUYER WITH ADVERTISING ALLOWANCES OR SPECIAL
ALLOWANCES OTHER THAN QUANTITY PURCHASE ALLOWANCES AS
PROVIDED FOR IN PUBLISHED PRICE
HISTS AND WHICH ARE AVAILABLE LISTS AND WHICH ARE AVAILABLE FOR ALL

Harry Prudden of Prudden, King & Prudden emphasized one of the points of greatest interest to the Patman committee when he wrote:

"It seems to me that this practice can reasonably create a situation where retailers not receiving these allowances find them-selves in a very difficult position.

As I understand it, frequently no check is kept on the amount of advertising in-serted by those receiving the allowances. In such cases these moneys can be used as special discounts. This enables the re-tailers receiving the allowances to reduce the retail price to their customers and still make a reasonable profit. In such a situamake a reasonable profit. In such a situa-tion the retailer not receiving such an allowance is confronted with the problem of reducing his price to meet the competi-tion and losing his profit, or maintaining his price and losing his customers.

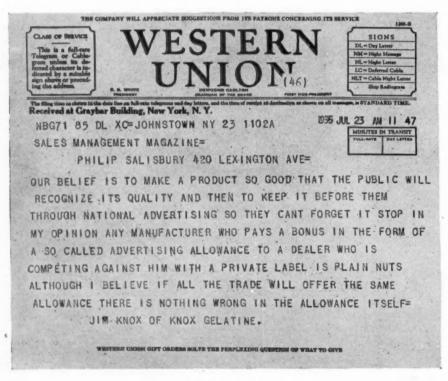
"Where such structure is obtained by reactive in a proving the profit of the pro-

the practice is obviously unfair to the re-tailers not receiving the allowances."

Another newspaper man, John T. Fitzgerald, president of the Newspaper Representatives Association of Chicago, gives facts and figures about the demands of a certain chain with 450

"If you were a manufacturer and approached the chain for the purchase on their part of your goods, you would be confronted with these propositions, and before any amount is stipulated as to what the pur-chase shall consist of you are sounded out on this basis:

'First-a matter of window displays in each store of the chain. This represents a display with other products in the same display with other products in the same window. The cost is \$2.50 per month per store. You are asked to pay \$2.50 per month per store for store display. That consists of a display within the confines of each store. Then you are asked to contribute 15% of the eventual purchase price for advertising within the confines of the retailer's advertisement, and if you subretailer's advertisement, and if you sub-scribe to all of that, then you are told that you may avail yourselves of the opportunity to discuss the intimate merits of your product in a separate advertisement over the



retailer's name, using their retail rate. Now, \$2.50 per month on 450 stores is \$1,125 a month—that is for the window display; another \$1,125 for your store display, makes \$2,250 per month. If the order they place with you eventually is \$10,000 then another \$1,500 is exacted for advertising.

"Your splendid article misinterprets the testimony of Mr. Parr in one particular. He testified that the annual bill for *printed* advertising was \$6,000,000, and you publish the assumption that this represents *newspaper advertising expenditures*. It is not believed by experts that the newspaper expenditure represents any such amount.

"The havoc being wrought on the general advertising classification of newspapers, through this and other practices, is best

illustrated by comparing the use of newspaper space by General Foods, Inc., in the newspapers measured by Media Records, Inc.

In 1929 this company used . .4,384,916 lines In 1934 this company used . .2,598,194 lines

"It would seem that manufacturers would be interested in dispensing with this distribution penalty by the only method available—legislation. That leads to the conclusion that the Patman-Robinson Bill should be enacted. If your responsible publication could obtain off-the-record authentic views of some of these manufacturers on this point, newspapers might be induced to throw the weight of approval to the enactment of this legislation. Chain stores, (Continued on page 122)

Soft Drinks

E. & J. Burke, Ltd.
Canada Dry Ginger Ale, Inc.
Clicquot Club Co.
Coca-Cola Co.
White Rock Mineral Springs Co.

American Steel Wool Mfg. Co.

Soaps, Cleansers and Housekeepers' Supplies

Antrol Laboratories, Inc. Bon Ami Co. Carbona Products Co. Cudahy Packing Co. (Old Dutch Cleanser and meat products: not to be confused with Cudahy Bros. Co.) Dearborn Chemical Co. Enoz Chemical Co. Expello Corp. Fels & Co. Faultless Starch Co. Griffin Mfg. Corp. Jergens-Woodbury Sales Corp. Kalamazoo Vegetable Parch. Co. Kerr Glass Mfg. Corp. Larvex Corp.
McCallum & Robinson, Inc. Midway Chemical Co. Miracul Wax Co. Monroe Chemical Corp. Enoch Morgan's Sons Co. North American Dye Corp. John Opitz, Inc. Park & Tilford Paterson Parchment Paper Co. Pennsylvania Salt Mfg. Co. The Puro Co. Radbill Oil Co. Rit Products Corp. James H. Rhodes J. A. Sexauer Mfg. Co., Inc. Sinclair Refining Co. (insecticide) The Skat Company Stanco (Flit) The Tanglefoot Co. E. S. Wells Co. Wells & Richardson Co., Inc. West Disinfecting Co. Whittemore Bros. Co.

We make no pretense that the above list is complete and accurate. There may be many other companies which have not granted special favors to A & P. We have neither the facilities nor the desire to peer into private files. If the A & P witnesses made no mistakes, and did turn over to the Congressional Committee a summary of all current contracts, then these companies may be termed conspicuous examples of the companies which have dared to get along without any contractual deal for "cooperation" from A & P.

Some of the companies, according to statements made by responsible executives, have definitely refused to grant concessions and quite naturally they have capitalized the point with wholesalers, independent retailers, and other chains. Most, if not all, of these manufacturers succeed in getting their products in the general run of A & P units.

If alert subscribers notice other products which belong in this "do not" list we shall be pleased to print the names in the next issue.

Kellogg, Campbell, Cudahy Packing, Quaker Oats Among Those Having No Special Contracts with A & P

THE list of 343 manufacturers who have special contracts with the Great Atlantic & Pacific Tea Company, covering advertising allowances, brokerage fees, and quantity discounts, was almost as noteworthy for its omissions as for the names it contained.

For example, in the cigarette field A & P witnesses swore that Liggett & Myers, Brown & Williamson, Philip Morris and Penn Tobacco Company gave A & P varying sums as advertising allowances—while their competitors, Lucky Strike, Camel, Old Gold, and Spuds apparently gave A & P no allowances.

Representatives of A & P swore that the list of 343 contracts summarized all of the special arrangements which the chain had with manufacturers. SM's fact-hounds have checked the names in the A & P list which was turned over to Congressional investigators against lists of prominent advertisers whose products are sold nationally in food stores and find these interesting omissions:

Cigarettes

American Tobacco Co.
P. Lorillard & Co.
R. J. Reynolds Co.
Axton-Fisher Tobacco Corp.

Cereals and Flour

Cream of Wheat Corp. Kellogg Co. Quaker Oats Co. Ralston Purina Co.

Food Beverages

Carnation Co. Horlick Malted Milk Corp. Pet Milk Co. Wander Co.

August 1, 1935

Miscellaneous

American Fruit Growers, Inc. American Sugar Refining Co. American Kitchen Products Co. Angostura-Wupperman Corp. Baker Extract Co. J. W. Beardsley's Sons California Lima Bean Growers Ass'n. California Fruit Growers Exchange California Walnut Growers Exchange Campbell Soup Co. J. & J. Colman, Ltd. Crescent Manufacturing Co. Cudahy Packing Co. (See Soaps and Cleansers) Deerfoot Farm Products Franco American Food Co. (see Campbell Soup Co.) R. T. French Co. Gerber Products Co. Gebhardt Chili Powder Co. Adolph Goldmark & Sons Corp. Hawaiian Pineapple Co. G. F. Heublein & Co. Hills Bros., San Francisco (Coffee: not to be confused with The Hills Bros. Co. of N. Y., dates, grapefruit, etc.) International Salt Co. Jell-Well Dessert Co. Jones Dairy Farm Chas. B. Knox Gelatine Co. Krax, Inc. Lea & Perrins, Inc.
Loose-Wiles Biscuit Co.
Maggi Co., Inc.
C. F. Mueller Co. National Sugar Refining Co. Nestle's Milk Products, Inc. Northwestern Yeast Co. Ohio Match Co. John T. Paton Co., Inc. Peek-Frean & Co., Ltd. Phillips Packing Co. Seaman Bros. Smith Bros. Standard Rice Co. Stickney & Poor Spice Co. Sun-Maid Raisin Growers Ass'n. Tea Garden Products Co. United Fruit Co. Van Camp Sea Food Co. Virginia Dare Extract Co. Westgate Sea Products Co. Worcester Salt Co. Jenny Wren Co.

Taking "Toughest Market" First, UDL Speeds National Conquest

N the first ten weeks of its consumer introduction, United Distillers (of America), Ltd., has already won a decided place for its whiskies among the first five brands in Chicago, and radiating out from this center, has extended distribution and advertising to twelve states as part of a nationwide conquest.

This company, with headquarters in Chicago and plant in Baltimore, is an affiliate of United Distillers (of Canada) Ltd., Vancouver, long one of the "big five" in the dominion.

The United States program, under H. H. Klein, president, and M. Rafelson, general sales manager, with Amalgamated Advertising Agency, New York, as merchandising counsel and in charge of advertising, was planned nationally, almost in every detail, well in advance of the first consumer advertising on May 8.

For example, the 200 newspapers, 11 magazines and the entire initial campaign were determined before any one of the ten products in the linethree blends, four bonds, two Scotches and a gin-was on sale in any dealer's store. The entire campaign was worked out in an elaborate and beautifully produced portfolio, and is



"Now he knows-knows before he buys —on all nine vital points by which whiskey is expertly judged!" says UDL, and proceeds to list all nine in the box at right, claiming a triumph for its products on every point.

LAWRENCE M. HUGHES

expected to run on a \$2,000,000-ayear basis for the total of ten products when national distribution is obtained. The advertising starts automatically in each market as soon as 65% retail distribution has been obtained. This means 65% of all outlets except those selling only products below the UDL price range, which begins-in Chicago, for instance—at \$1.39 per pint.

First fourteen markets are in the Mid-West zone and part of the Western and Southern zones.

Separate campaigns are being run on the group of blends, on the bonds and the two Scotches. The gin has not yet been introduced. Newspapers receive schedules ranging from 11,000 to 4,000 lines in a 13-week period.

The basis of the program is the 'pre-judged" plan. This means independent testing by the Ekroth Laboratories, New York—between 35 and 40 determinations for each sample of UDL products purchased from regular retail outlets at various times in various cities. C. V. Ekroth is a former chief chemist of the New York City Health Department. Actual pur-chases are made for the laboratories by representatives of Railway Express Agency and shipped to them. Ekroth chemists also appear at the UDL plant, at unannounced times, to take samples from the liquor at time of bottling.

Newspapers Give Valuable Aid

Instead of trying to conjure up new reasons for buying, UDL proceeded to list basic buying factors and to emphasize all of them in almost every ad of the initial campaign. The nine are "safety," "aging method," "absolute details as to straight or blend," "palatability," "flavor," "bouquet," "potency," "potability," and what you might call systemic response or the lack of "hangover" if the whiskey is consumed in reasonable moderation.

In approaching each market, UDL first goes to the newspapers to be used, to give them advance information on the line and to get their suggestions on appointment of distributors. Newspapers later send out broadsides to dealers telling about the line. Though there is duplication, when two or more newspapers are to be used in a market, the announcements are different and, UDL executives believe, serve to heighten interest.

Some of them are "dramatic." Nebraska went "wet" a short time ago. The first shipment of legal liquor into the state was UDL. In pictures and text, the Omaha Bee-News made the

most of it.

Some of the newspapers also help to get retail distribution by sending their merchandising men out to canvass dealers. They do not take orders, but, among other things, they segre-gate the "hot prospects," who express willingness to buy. The newspapers, of course, have their reasons for doing a good job in this respect. When the 65% distribution has been obtained, the advertising starts. In Chicago 1,500 of the 2,400 best outlets were obtained in two weeks-with the help of three mass meetings, organized by. the advertising agency and addressed by its president, Raymond Levy.

Mapping the Sales Campaign

In certain large markets radio also is being used. Even after the magazine part of the campaign gets under way-probably just before Christmas -80% of the total expenditure will

be in newspapers.

In appointing distributors, UDL seeks "ample coverage." In some areas they are exclusive. In others, one distributor may be appointed to stock the entire territory-working with whom will be other wholesalers. Often these may be specialists on certain sections of the market or certain types of outlets. In still others, several wholesalers divide the market between them.

When the national advertising managers of the newspapers have made their suggestions as to distributors or wholesalers, a UDL "distributor appointer" gets on the job there. After appointment of the distributor a UDL district manager moves in to take permanent charge with the distributors, and the "appointer" moves on to the

(Continued on page 126)

How Many "A" Prospects Are on Your "NG" List?



ET'S say, for the sake of getting it into print, that he was a paper salesman—the chap who called on me the other day. His name was

We chatted of general business. I said I thought things looked rather bet-

ter than average for Summer. In my talks with sales executives, most of them had seemed cheerful, not only about business now, but about the outlook for Fall.

Peterson turned the corners of his mouth down and shook his head. The paper business wasn't anything to brag about. "There's not much you can do about the old Summer slump," he sighed.

At that moment I remembered having talked with the vice-president of the XYZ Company a few days before. XYZ, I knew, had bought goods from Peterson's house.

from Peterson's house.
So I asked, "By the way, are you selling XYZ anything now?"

Again Peterson shook his head. "Nope—I saw them six or eight months ago. They're not buying

"Well," I said, "don't you think it might be a good idea to call on them now, you sap? As a matter of cold truth, I played golf with one of the XYZ executives the other day. They're not only doing a swell business, but they've placed orders for at least two carloads of paper during the last

BY BRUCE CROWELL three weeks—and that's only what I happen to know about it!" I glared at him.

He glared back, "For the love of Pete!" He reddened. "Never mind saying it," he said, shamefacedly. "I know what you're thinking."

Nobody knows how much it cost that salesman and his house to have labeled that prospect "NG—Not Buying." And hundreds and hundreds of thousands of dollars' worth of business are being lost in exactly the same manner by other salesmen who are too careless or too lazy to keep in frequent touch with their logical sources of potential business. Of course a buyer may be out of the market this week, or this month, but all business is in such a fluid state nowadays that new needs develop overnight and the whole picture changes.

Even though a buyer may know you and your house from years of contact, the salesman who is on the job at the time that prospect wants to buy has the jump on the order. And don't get the notion that you have a bunch of these inactive accounts which are so solidly sold that, when they do come into the market again, the business will automatically come to you. Like my friend Peterson, you're likely to wake up almost any day and find that some other salesman who isn't so quick to label prospects "NG" is running so far ahead of you that you're not even in the same race.

Just How Do Shifts in Media Affect Cigarette Sales?

BY PAULINE ARNOLD

Vice-President, Market Research Corporation of America

SALES MANAGEMENT will pay \$10 each for the five best letters commenting upon the figures and facts presented in this article. What implications do you think they carry?

(EDITORS' NOTE: The fifth instalment of the survey made by the Market Research Corporation of America, among 10,044 housewives, will appear in the August 15 issue of SALES MANAGEMENT. This instalment will give the reactions of housewives to the advertisements of the makers of drugs and toilet goods, cigarettes and tobacco, passenger cars and tires.)

HAT is the relation—if any -between the strategy of picking advertising media and actual sales? Can we measure the influence of the greater use of one major advertising medium as against another?

So far as we know, no scientific answer is possible today. The question of which advertising medium produces

sales (mail order sales excluded) still remains practically undetermined. After all experimentation it is still difficult to find out from any consumer whether his purchase was influenced by advertising seen, heard, read or pictured-and where.

But there is another possibility. Take a mass of known facts about use of media and sales-and follow through a line of inductive reasoning from there. This again has several diffi-First, because enough facts are not readily available; and, second, because one's inductive reasoning may be faulty.

However, it is possible to analyze the splitting-up of the advertising dollar among the major media, and make a comparison between this and general sales results to see whether any apparent correlation appears.

The first difficulty in this method is that of finding various brands of a product selling in sufficiently compara-ble amounts and at comparable prices so that their sales relation is a factor; second, to arrive at accurate sales figures over a period of years; third, to have had several similar media used over this period for which specific advertising appropriations are available.

So far we have found only the three most popular brands of cigarettes as offering all these combinations. Coffee might do, but there are apparently only two brands that fulfill the conditions and that is hardly enough to establish correlation. Toothpastes suffer somewhat the same difficulty. If anyone can suggest other proper subjects, he may either try this experiment himself or ask us to do so.

In any event the figures on the opposite page are arrived at from the sources indicated and are as nearly complete and accurate as those sources and our adding machine can make

Only Correlation: Radio!

We then look for any relationship between the sales position and the various expenditures. We find only one consistent correlation between choice of medium and total sales - and that, strangely enough, is the medium in which the smallest aggregate amounts are spent: Radio. We see that in three years out of five the brand spending the most money in all three media was first in sales, but the last two years this went haywire. In only one year out of five does the biggest amount spent in magazines correspond with the biggest sales. In three years out of five first in newspaper appropriation is also first in sales. But in all five years first in radio is first in sales. Seconds in the various expenditures wander all over the map except in radio, where four years out of five second in radio expenditures meant second in sales. Third place in expenditures again bears practically no relation to position in sales in any medium except radio, where it again corresponds in all years except 1932.

In other words, for four years out radio, Chesterfield came from spending

of five, the position in sales corresponds to the total relative amounts spent for radio advertising, while in the other media there is no discoverable correlation between amounts spent and sales position. In 1932, the year of exception to this relationship with

(Continued on page 127)

Percentage Distribution of Advertising Expenditure in Three Media

Client—	Per Cent in Radio	Per Cent in Newspapers	Per Cent in Magazines
1930			
Lucky Strike	11.0	68.7	20.2
Camel		61.4	34.2
Chesterfield		75.3	24.7
1931	***	60.2	340
Lucky Strike		69.0	14.9
Camel		64.2	22.0
Chesterfield		78.5	21.5
1932	00.6	61.0	35.6
Lucky Strike		61.8	15.6
Camel		2.8	67.4
Chesterfield	21.7	68.3	10.0
1933	12.0	71.9	14.3
Lucky Strike			
Chesterfield		79.1	8.2
Camel	0.9	68.6	30.5
1934 Chastarfold	16.6	74.6	8.9
Chesterfield	-	57.3	34.1
Camel			-
Lucky Strike	5.6	81.4	13.0



Photo by Ewing Galloway

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Is there any important significance in the fact that leadership in cigarette sales a mong the "Big Three" went, in each of the last five years, to the advertiser spending the most money in radio?

Sales Position and Advertising Expenditures

	ules Position in Industry*	Amount Spent in Radio;	Amount Spent in Newspapers ‡	Amount Spent in Magazines§	Total Advertising Appropriations in These Three Media
1930				0	
Lucky Strike	. 1st	\$ 842,020	\$5,252,100	\$1,545,474	\$7,639,594
Camel		166,463	2,330,700	1,297,475	3,794,638
Chesterfield		• • • • • •	3,331,100	1,094,800	4,425,900
1931					
Lucky Strike	. 1st	1,605,082	6,909,300	1,491,178	10,006,560
Camel		998,712	4,657,900	1,595,940	7,252,552
Chesterfield	. 3rd		5,069,500	1,391,860	6,461,360
1932					
Lucky Strike	. 1st	1,851,194	5,058,400	1,277,592	8,187,186
Camel	2nd	737,517	68,600	1,665,475	2,471,592
Chesterfield	. 3nd	1,746,424	5,508,300	807,825	8,062,549
1933					
Lucky Strike	. 1st	697,178	3,627,700	719,853	5,044,731
Chesterfield	. 2nd	653,783	4,075,300	421,415	5,150,498
Camel	3rd	66,094	5,048,600	2,247,109	7,361,803
1934					
Chesterfield	. 1st	1,140,460	5,130,900	610,120	6,881,480
Camel	2nd	687,197	4,619,200	2,749,816	8,056,213
Lucky Strike	. 3rd	317,559	4,642,600	744,858	5,705,017

Here is another of John Allen Murphy's articles about marketing problems which are common to many different types of business. It often happens that products in any given industry become so similar in price and style and value that it is difficult for any one manufacturer to individualize his selling story. What can we do when that happens?

Methods that Pull Companies Above Goose-Step Competition

SALES counsels are devoting themselves increasingly to lifting products out of the dead level of competition. Merchandise tends to drop to a plane where ali competing products are virtually the same. Frequently, the only material difference that exists among a number of brands in a field is their names. The price, the quality, the packages and even the sales arguments are about the same.

When this happens, manufacturers often try to gain an advantage over their competitors by cutting prices or

BY JOHN ALLEN MURPHY

by granting more generous terms, by giving more free goods, by offering bigger premiums or by making other extravagant concessions that eat the heart out of the seller's profit. Generally, these attempts to win an advantage prove futile because competitors usually meet all the moves and often go them one better. That, however, does not prevent companies from at-

tempting to defeat competition in this manner, thus reducing still lower the competitive levels of their industries every time it is done.

This problem has been growing in seriousness in recent years. There was a time when manufacturers could have enjoyed a large measure of protection from competitive raids. Much of this protection was of a legal nature. Patents, trade-mark entrenchment and other devices may have given a manufacturer a virtual monopoly in his field or at least a safe margin over his competitors.

Then anti-trust laws began to frown on practices that lead to monopolistic control of an industry. Neither are patents the protection they once were. Research is so active, so many laboratories are burning the midnight oil, and so much money is spent on product development that patents today are soon improved by other companies. Often the original patent is a back number in a couple of years.

This has led to the custom of licensing. Many manufacturers feel that it is better to license competitors to use a patent rather than to have them develop competing products that may supersede the article that was patented first, or that might destroy the advantages it temporarily held. In either event, competition quickly develops in such cases, despite the patent.

Even trade-mark entrenchment is no longer easy. Brand dominance usually depends on large advertising expenditures. Such expenditure is open to any competitor who has the mone Leadership, under these conditions, may go to the best spenders in any industry. The cigarette business is an example. Leadership among the big five is subject to change. The most aggressive advertiser holds first place only as long as his advertising idea possesses novelty.

The point is that fierce competition exists in this field, simply because all of the large manufacturers are about



"Gee, Hank, old man Peter will be wild—he wanted it spelled with a 'y'!"

on an equal basis, even as to their ability to spend money for promotion. That is true in numerous lines. One by one the advantages that the individual manufacturers in each field may have had were wiped out. As a result, competition has degenerated to the dog-fight level.

Can anything be done about this deplorable condition? Fortunately, yes. Many companies have discovered that they possess marketing assets which they did not know they had. Their products may be used in ways with which they were not familiar. Their goods may be solving problems, rendering services and doing jobs that make them much more valuable than their manufacturers had ever dreamed.

Retailers may have developed unusual talking points in certain goods that their makers do not know about. Manufacturers, themselves, would frequently find hidden qualities of great sales value in their merchandise, it they would take the trouble to look for them.

Sales counsels and fact-finding organizations are doing a lot of this work. It is a rapidly expanding division of their activities. It usually requires extensive research, either in the market or in the laboratory, to find features of superiority in a product, features that its competitor lacks.

So He "Went to the Dogs"

As an example, take the case of Katnips. This is a cat-faced rubber toy, for both babies and dogs. The original model was intended solely for dogs, and in the present line there is only one baby toy. So Katnips is really a dog toy. The interesting thing about this is not that a worthwhile business could be built up in selling toys for dogs, but rather that such high-priced toys could be sold. Katnips retails for several times the price of the average rubber toy. The larger size sells for one dollar. Katnips brings this high price because it lasts indefinitely, whereas most rubber toys wear out quickly. Neither can Katnips be torn easily by a dog trying to eat it. This is a strong argument in its favor, as the swallowing of rubber by a dog often has fatal results. Anyway, by bringing out a high-priced dog toy in a market flooded with cheap products, Harold Munro, the originator of Katnips, elevated his business high above the competitive plane. It takes a lot of courage to do that. There is no denying that it is incomparably easier to sell goods at a low price. That is, it is up to a certain point. (Continued on page 129)

The Scratch-Pad

No, Mortimer, it isn't exactly fair to say that all copy writers were born under the sign of Taurus.

Nat Lewis, designer of beach togs, was obviously born Natatorium Lewis.

A recent trip to the beach, by the way, makes us wonder who said there's nothing nude under the sun!

The Hoover Vacuum Cleaner is doubtless a rug individualist.

In our legislative halls, business is fundamentally sound... and fury.

A Mississippi flood is just another case of bank failure.

* * *

Slogan for an instalment radio: "Pay as you enter(tain)."

France defaulted again on the war debt, as usual. Fifty million Frenchmen can't be wrung. Or, as Mrs. THT puts it, "A frog he would defaulting go."

The name of the Tokyo broadcasting station is JOAK, which looks like a swell spot for the radio comics, if any.

When credit eases up, business will go ahead. Bankers Aweigh!

"Opened by mistake." Is our mail read!

Most Scotch stories start with the premise that there's a niggard in the wood pile.

Huey Long apparently survived National Cheese Week.

T. Harry Thompson

Kensil Bell thinks Archimedes was one of the Lever Bros.

"Why do men in the Tropics look old at forty?" asks Barbasol. The copy says it's "the burning tropical sun" which "dries up the natural oils of the skin." But the illustration shows a man watching three Hula dancers shaking their sea-weed-dees, as a popular song once had it. Come, come, Barbasol; is it the sun or the daughters which make men in the Tropics look old at forty?

Incidentally, we like Wesley Ecoff's paraphrase of the Parisian nude deal: "Folies Brassiere."

It is probably an atavistic strain in us, but we get a genuine lift out of entering an old-fashioned, cross-roads country general store. The eclectic smell of the place . . . the cool retreat from the dust of sun-baked roads . . . the personal tone as contrasted with the impersonal efficiency of the plate-glassed grocery of our times . . . these things revive memories of more leisurely living, before the abolition of that whilom institution, 6% interest. Whilom and worth-whilom, if you will.

The American Stores Company, serving the Philadelphia trading territory, puts up its private label goods under the brand name, "Asco." That is, all except their toilet tissue, which is called "Princess."

Some day Japan is going to bite off more than she can Manchu.

Suggested headline for a milk advertisement, showing a small child piling into a glass of Nature's most benevolent beverage: "When you gotta grow, you gotta grow."

With considerable fanfare, the Baltimore and Ohio announces a new train called "The Royal Blue." Who remembers 40 years ago a crack train of the Baltimore and Ohio called "The Royal Blue"?

There is a school of copy writers which gets most of its headlines by lifting the titles of current plays, movies, and best sellers, with a few popular songs thrown in. A labor saving device, but nothing we would care to keep in a scrap-book.

The Society of Stoopnocracy, Inc., with headquarters in the Hotel Delmonico, New York, a charitable organization devoted to the forgotten white collar class, invites its members to send in their pet irk. Heaven will protect the irking girl, so we nominate Lady Esther.

To beat Ed Wynn to a rather obvious crack, we hasten to say that a coal strike, after all, is a miner problem.

The middle class is still very much in the middle, where the squeeze is hardest.

Some day A&P will capitalize those famous initials by making them mean "America's "Pantry."

Market possibility: A collateral product to be known as "BRANO, for Clogged Brains."

J. Harry Phompson



Standard of Indiana's giant "spectacular," 136 by 209 feet, which looks down upon "Boul Mich" and the Loop in Chicago

S. O. Spectaculars, Lighted Signs Tie in with Daytime Copy

BY LESTER B. COLBY

HEN the Standard Oil Company (Indiana) began to experiment with electric signs several years ago, newspaper publishers, who are among the world's best worriers, decided that they had something new to worry about. Offhand, there seemed to be a bit of logic behind their worrying.

Standard, whose outlets cover 13 states like the dew, and a part of a fourteenth state, was one of the biggest newspaper advertisers in the country; the biggest among oil distributors. Standard (Indiana) employs space in approximately 1,800 newspapers, daily, semi-weekly and weekly. That, in mass, is an account to conjure with.

The company controls directly, as owner, 4,827 bulk stations and 11,689 service stations. Besides that, it has so many dealer outlets that no numerical check-up has ever been attempted. And Standard, when it began to experiment with electric signs, had for years consistently voiced its faith in newspapers.

Would the use of electric spectaculars cut into the newspaper appropriations? Would the use of neon, bulbs, flash signs, color at night, indirect lighting against lettered enamel, wean this ardent admirer of newspaper space from its old love? Publishers began to sit up on the edge of their chairs.

The answer is now available.

Those first few signs have multiplied. There are now:

Spectaculars flashing their gleaming colors nightly in numerous cities.
 Point-of-sale signs gleaming in

front of hundreds of service stations.
3. Dignified identification signs gracing various plants and refineries.

At no time has Standard of Indiana ever whittled down on its newspaper advertising one dime or one iota. Night-time advertising has generally been considered something extra. It has been used to support newspaper advertising; to aid in making it more effective.

Standard's first massive "spectacular," 136 by 209 feet, one of the biggest of its kind in the world, began to send its gem-like beams across Chicago's horizon in May, 1933. Situated at the north end of Grant Park, it can be seen for miles. It looks down upon Chicago's famous "Boul Mich," its impressive Outer Drive, and the teeming "Loop."

In these years it has become a land-

In these years it has become a landmark. It is a part of Chicago's afterdark skyline. It is trade-mark and name-identification. The trade mark, symbolizing service, is a blazing torch 136 feet high. Flame and shadows dart upward. Copy changes. Consecutively appear:

"Standard Oil Company"; "Stan-

dard Oil Products"; "Standard Red Crown Gasoline"; "Red Crown Ethyl"; "Standard Service"; "Polarine"; "Iso-Vis D." The torch goes off and flashes on at appropriate places in the sequence.

This picture is painted in flame with the use of 2,622 feet of neon tubing, 8,314 electric bulb lamps and some 130,000 feet of wiring. The letters are 16 feet high. The nine colors in the spectacular are bronze, brown, tan, yellow, red, orange, blue, gray and white!

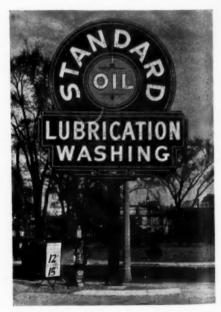
Since that first Standard sign was born, others, slightly less impressive, have grown in other mid-western cities. In Kansas City is one that looks down upon teeming hills.

down upon teeming hills.

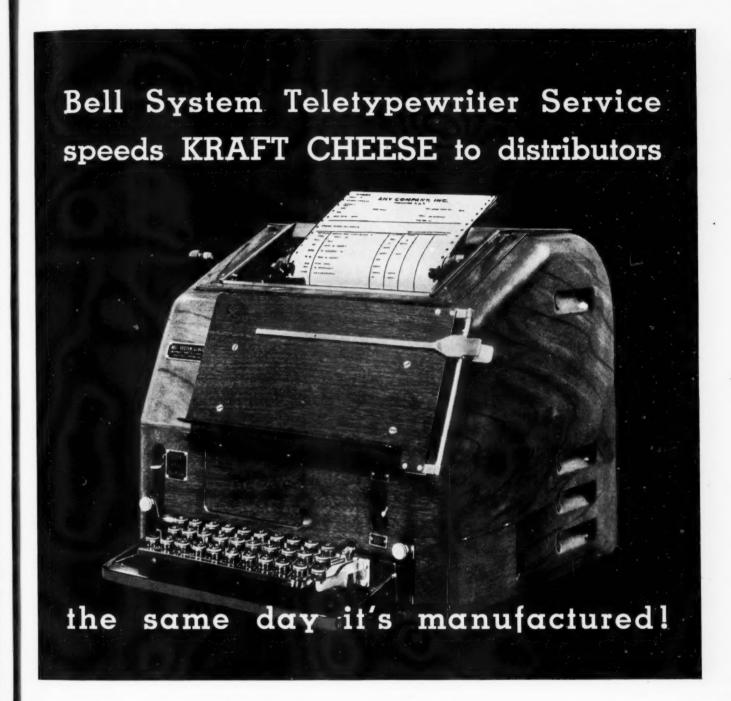
It stands atop the Breon Building, at 24th Street and Grand Avenue and its over-all measurement is 57 by 48 feet. It, too, carries the flaming torch with the typical company circle. Letters in this spectacular, grade down slightly from a bright "Standard" in five-foot letters.

Illuminated by an outline of gold neon tubing, the torch is brown, tan and yellow and the 8½-foot flame is red, yellow and orange. Red and white neon tubing outline the Red Crown and fleur-de-lis against a white background rimmed with blue. White lamps represent the diamonds in the crown. "Standard" and "Red Crown" flash red. "Gasoline" is white and "New" and "Superfuel" are canary.

Over in St. Louis another spectacular carries a 40-foot circle looking down upon Skinner Boulevard at Clayton Road. One side shows "Red Crown Ethyl" and the service trade mark of the torch the other. On the west side



Typical Standard Oil point-of-sale illuminated sign. This, gleaming with red, white and blue neon, is at 16th and Wisconsin Streets, in Milwaukee.



CHEESE and mayonnaise demand quick delivery from plant to consumer. Orders must be written, received and filled with SPEED and ACCURACY. So Kraft-Phenix several years ago connected its New York sales office with its Jersey City, N. J., mayonnaise kitchen and cheese plant by Bell System Teletypewriter Service.

Now, orders are teletyped to the plants as fast as they reach New York. The sending machine makes four copies—original invoice, bookkeeping, statistical and office—on printed forms like those illustrated. Simultaneously, the receiving machine in Jersey City prints four additional copies—shipping order, delivery receipt, packing and office. . . . Eight copies filled in at a single

typing. All accurate, identical records. No rewriting or checking.

Says Kraft-Phenix: "The Teletypewriter has increased efficiency, cut costs. Orders flow smoothly from office to factory. There are fewer peaks and valleys in production. And practically all perishable items are on their way to wholesalers the same day they're manufactured."

In addition, Kraft-Phenix has Teletypewriter connections between the main office in Chicago and fourteen divisional offices and factories. . . . The

speed and accuracy of the service, so valuable to Kraft, may be equally adaptable to your business. Call your local Bell Company for full information.



IT

is

of the sign "Standard Oil Company (Indiana)" flashes on and off as does the trade mark in red and blue neon.

Smaller electrical signs are scattered in various other spots in the company's territory. These can be found in Davenport, Denver, Detroit, Duluth, Evansville, Grand Rapids, Green Bay, Indianapolis, Kansas City, Mankato, Mason City, Milwaukee, Sioux City, and South Bend.

These, usually, may be termed point-of-sale signs for they are by habit located at service station outlets. Mostly they range from 4 by 10 feet to 7 by 14 feet. Some have moving flames in their torches. Text varies according to appropriateness. Service stations often specialize.

So "Greasing and Lubrication" may be stressed, or "Red Crown Ethyl," or

merely "Standard."

Electricity more and more is being used to illuminate service station identification signs. As a rule these run about 4 by 8 feet and are made of blue and white enamel. Generally these are illuminated by the use of neon or reflectors.

Night signs at refineries and plants

are, usually, made by painting directly on the sides of the buildings with indirect flood illumination. Many of the Standard Oil refineries are located on main highways-an example being the Whiting Refinery, which is the largest complete oil refinery in the world, located on U. S. Highways 20 and 12, the main approach to Chicago from the

Spectaculars, which mean investment rather than expenditure, are only built after careful count of people. They must be seen by many eyes.

Summed up, Standard, through its wide experience, presumably might voice its view of advertising something like this: "The sale of our products is, of course, the ultimate aim of all our advertising. We rely on electric sign advertising to increase the effectiveness of our newspaper advertising. These two media go forward hand in hand. They supplement each other."

Anyway, Standard Oil Company (Indiana) has steadily and confidently increased its use of both through the years. And its judgment is based on carefully calculated and meticulously

appraised experience.

Advertising Jumps Room Sales for Chicago's Palmer House

TILLING rooms with paying guests is the principal business of a hotel. Early last Fall the Palmer House, in Chicago, turned to ink as its main advertising medium. As the result of a test campaign, carefully worked out, that hotel is spending \$120,000 this year.

In the first five months of 1935 its "room sales" were 65% ahead of its 1933 record for the same period (the Bank Holiday forced '33 sales for this period to an abnormal low, however), and 42% ahead of the same months in 1934. These months are selected for comparison because, during the Summer and early Fall of 1933 and 1934 the World's Fair crowds distorted statistics from July 1 on.

The present campaign, using printing ink, is concentrated in the following media:

1. Newspaper advertising; using 25 newspapers in 23 key cities.

2. Direct mail, chiefly personal letters, built largely around leads produced by the newspapers.

3. Magazine advertising; including selected business and national pub-

The total budget for the year for this work runs about \$120,000. This is cash, as the Palmer House does not employ the familiar "due bill" system with publications.

"Radio is definitely out for the time being," said Albert C. Fuller, advertising manager. "We spent \$230,000 for radio broadcasts in 1933 and 1934.

"But get me right in this. We do not condemn radio. It might be an excellent investment if we had a chain of hotels. It might be excellent if we were merchandising something that could be bought in thousands of sales spots. But after carefully analyzing results, we cannot see profit in it for a single hotel.

"We still use radio, WGN, to advertise our Empire Room. In this room we have 610 seats. The cost, to dine and see the floor show, is \$2.50. We fill it to capacity practically every night and give much credit to WGN, a local station.

Our point in abandoning network radio advertising is that we have to pay for too much waste circulation. Millions of listeners can never become our guests. That makes the cost, per room sale, too high.

"Through the newspapers we have worked out a practical and profitable tie-in. We have four assistant managers on the road all the time. They visit cities where we advertise, go to the advertising managers of the newspapers, and get lists of prospects.
"These advertising managers know

what companies send buyers and other

representatives to Chicago often. They give us the names of these men and women. Often they give personal in-troductions to key men. Visits are followed by personal letters. It works,"

Edward T. Lawless became manager of the Palmer House early in 1934. Mr. Lawless has been known as something of a miracle worker among hotel men. He opened the New Yorker for Ralph Hitz and was later transferred to the Book-Cadillac in Detroit to juggle it out of the red. Later he repeated his success at the Commodore in New York. When he arrived in Chicago one of his first questions was:

"Why do our guests select this

hotel?'

In order to find out, he placed a neatly printed questionnaire in each room. Guests were asked to fill it out and leave it with the floor clerk. He turned over a breakdown of 1,385 of these cards to a SM representative.

The replies were rather surprising.

Here are the reasons why:

Recommendation of friends, 429; courtesy and service, 193; regular patrons, 114; tradition, 110; radio network programs, 96; recommended by railroad agent, 95; location, 89; business, 79; recommended by another hotel, 55; WGN (local radio station), 40; recommended by auto club, 30; newspaper advertising, 25; newspaper and magazine articles, 12; letters, 9; business reciprocity, 9.

During the period covered there had been practically no newspaper advertising. The \$230,000 radio network campaign was near its end. The newspaper test campaign was barely starting.

Direct Mail Follows Up Calls

The Palmer House is using the Sunday Herald & Examiner and the Sunday Tribune in Chicago; the Times and the Herald-Tribune in New York. In each of the other 23 key cities it selects one leading newspaper. Among the magazines it uses a large number of selected trade journals. It will soon add The New Yorker, Time and Colliers.

The direct mail campaign consists of three mailings. First, a personal letter goes out which is followed by a printed folder. A little later the prospect receives a second letter. Each is individually written and a personal touch can usually be developed from records carefully kept on a filing card.

Often the letter will refer to the personal visit of the assistant manager who has called on the prospect. Some of the best selling is done "across the top of the desk" in the prospect's home office. The letters and mailing piece are thus reminders of the call.

TISING IS READILY TO IMMEDIATE SALES"

dertising Manager, International Harvester Company of America (Inc.)

—motor trucks and industrial tractors—which are unusually adapted for advertising in the industrial, technical, and commercial trade papers. We learned years ago that heavy-duty products of such a variety of application must be presented to prospects in the most convincing and practical form, and at a time when they are receptive to our arguments.

"For perhaps a quarter of a century we have carried our advertising story in a carefully selected list of business papers. The fact that the list has grown steadily, and that it has survived any serious pruning during the recent difficult years, goes to prove what we are trying to convey—that we couldn't get our message

over in concentrated, effective fashion if the publishers had not sifted prospects for us into like-minded groups.

"The groups available through the business papers bring us readers whose minds are turned inward to business. The same readers are likely to be in search of a relief from business when they take up the general magazines. We use the general magazines and believe in them as a broad background to build respect and acceptance for our trade names and machines, and to help make sales easier all along the way, but we feel that the business papers are closer to the firing line where reader attention is readily translated into immediate sales."

Number 19 of a Series: This is one of a series of analyses made by the editors of SALES MANAGEMENT, acting for the publishers of the dominant business papers listed here. Others who have told why they use business papers and the results they have secured: General Electric, Bendix Aviation, Cannon Mills, Johns-Manville, Fruehauf Trailer, Bakelite, Gorham, Lincoln Electric, Liquid Carbonic, McCann-Erickson, Westinghouse, Ohio Brass, Green Shoe, Stewart-Warner, Ruberoid, National Hotels and Jones & Lamson.

AMERICAN BUILDER and BUILDING AGE, Chicago
ARCHITECTURAL RECORD, New York
BAKERS REVIEW, New York
BAKERS WEEKLY, New York
BOOT AND SHOE RECORDER, New York
BUILDING SUPPLY NEWS, Chicago
CHAIN STORE AGE, New York
COAL AGE, New York
DOMESTIC ENGINEERING, Chicago
DRY GOODS ECONOMIST, New York
ELECTRIC LIGHT AND POWER, Chicago
FLEET OWNER, New York
FOOD INDUSTRIES, New York
HARDWARE AGE, New York
HARDWARE RETAILER, Indianapolis

HOTEL WORLD-REVIEW, New York HOUSE FURNISHING REVIEW, New York ICE CREAM TRADE JOURNAL, New York JEWELERS' CIRCULAR-KEYSTONE, New York LAUNDRY AGE, New York MACHINERY, New York MILL AND FACTORY, New York NATIONAL PETROLEUM NEWS, Cleveland OIL AND GAS JOURNAL, Tulsa OIL WEEKLY, Houston PROGRESSIVE GROCER, New York RAILWAY AGE, New York RUG PROFITS, New York SALES MANAGEMENT, New York STEEL, Cleveland TIRES, New York

More Ideas About the Proposed National Sales Executives' Club

N the July 1 issue of SM we printed numerous letters from sales managers' clubs and from individual sales executives, all of which expressed the belief that a national organization would be immensely helpful and would be well sup-

ported.

Here are some more letters. In the future we will include a few quotations from those who do not feel that such a project would be worth while. These, incidentally, are in the great minority-out of the first 100 letters received in answer to our general inquiry in a previous issue, about 80 voted an enthusiastic "yes." About ten said yes, with reservations-those reservations revolving mostly around the idea that a national club would be successful only if made a working organization and not a social organization. (In this, the SM editors agree.) The other ten were definitely against the proposal for one reason or an-

Because of suspension of meetings during the Summer in some cities, it has not been possible to obtain official expressions from all of the 20 nowactive local sales managers' clubs. Pending the time at which a complete consensus can be tabulated, the editors of SALES MANAGEMENT want to gather as many expressions as possible from other sources. If you have any strong convictions, one way or another, about the matter, or if you have any concrete ideas about the details of organization structure for such a club, please address a letter to SALES MAN-AGEMENT, INC., 420 Lexington Avenue, New York City.

Some recent letters:

By E. V. FRAENKEL

General Sales Manager. Frederick Stearns & Company, Detroit, Michigan

IT is my opinion that a national organization would be a great help to all sales executives. I realize more every day that there is a tremendous need for more efficient selling everywhere, and I believe that an organization of this kind, with a pooling of ideas of its members, would be very beneficial to everybody in it.

By T. A. CRAWFORD

General Sales Manager, The Timken Silent Automatic Company, Detroit, Michigan

W E recognize the great possibilities for good in a national organization of sales executives and, if it were properly organized and followed out, we feel that the interchange of information and ideas would be most advantageous.

You recognize, of course, as we do, that many worthwhile ventures of this kind fail because the individuals concerned cannot take the time from every-day duties to give the required support to the program. This handicap could be overcome by making the attraction strong enough to insure the success of the project.

By J. S. SHAW

President, St. Paul Sales Managers' Association, St. Paul, Minnesota

PERSONALLY, I think a national organization, such as you outline, would be a splendid thing, and I also heartily endorse the idea of sectional

organizations.

I would suggest that a national organization be along the lines of the A.F.A., with a convention held each year and with national officers elected, supplemented by an executive secretary.

Such a national organization could help the individual clubs directly in arranging speakers, suggesting programs and in effecting an interchange of ideas. It would also, as my friend W. V. "Smoke" Ballew suggests, give the sales executives of the country an organization that could speak authoritatively for them.

By B. R. WELCH

President, Kansas City Association of Sales Managers, Kansas City, Missouri

I HAVE been president of the Sales Managers' Association of Kansas City for only about six months, and our club has been in pretty much of a rundown condition. It might be that a national organization would be worth while; as yet I do not see a need for it. If the majority of existing clubs agree that they want a national group, I am quite sure that our club would be in favor.

By R. U. MUFFLEY

President, Seattle Sales Managers' Club, Seattle, Washington

A T the present time our meetings are discontinued for the Summer, but in the early Fall it will be possible to get the Board of Trustees together and discuss the suggestion which you have made. I believe, if the proper organization were set up, at least 150 cities over the United States could be interested in it.

The publication SALES MANAGE-

MENT is a very interesting medium of information. Perhaps an organization of the kind you suggest, somewhat sponsored by SALES MANAGEMENT, would be successful.

By H. N. FISCH

President, Fort Worth Sales Managers' Club, Fort Worth, Texas

THE matter of a national sales managers' organization was taken up at our regular monthly meeting, July 2, at which time the members in attendance expressed considerable interest and seemed to think it a good idea. It was voted that a meeting of the directors be called as early as possible and that the club would abide by the decision of these directors. I am sure they will unanimously endorse the entry of the Ft. Worth Sales Managers' Club as charter members of a national organization.

We now have 77 members on our roster and are starting a new contest for members to reach 100. We just closed a contest in which we set up prizes in luggage amounting to \$70, all of which was won by our good member, A. B. Vera, representing Vera-Reynolds Company, who brought into our club 26 members in 90 days.

By R. J. Jones

President, Minneapolis Association of Sales Managers, Minneapolis, Minnesota

OUR meetings will not be resumed until the first week in September. For this reason, it is not possible to give you as much information as I would like regarding the attitude of our orgainzation as a whole towards the proposed plan for a national association. Depend upon it, that as soon as our meetings are again started, I shall discuss the proposition with them.

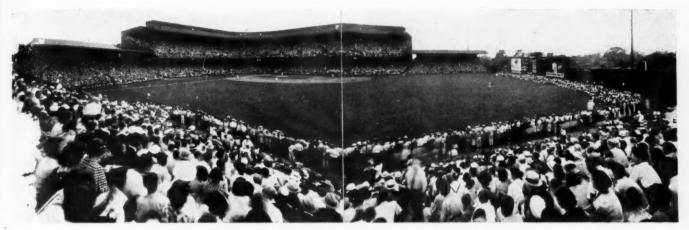
Meanwhile, I have already gotten in touch with two or three of our officers who concur with me in the opinion that a national club would be a fine thing, and that, if and when it gets under way, Minneapolis should be rep-

resented.

Personally, I see no merit to sectional groups—I think that a sales problem is a sales problem, no matter what the product or the area. Of course this may be a trifle far-fetched. At the same time, it does not seem to me that division by area is necessary. That is just a thought of mine, and is expressed without a great deal of consideration.

Right now I have no specific suggestions as to the type of organization the national club should be. Very likely we could start with a secretary who would act as clearing house for the dissemination of certain sales and

other information.



Forty thousand cheering fans at a big league baseball game—and they mean for the drug stores that gave them the party even more than 40,000 friends and potential customers.

iajor League Baseball Parties for ids-Our Best Sales "Stunt"

N July 9 Economical-Cunningham Drug Stores, Inc., Detroit, gave to nearly 40,000 friends, most of them teenage children, its second annual party to a baseball game played by major league teams at the local American meague park. And, for a second time, his spectacular promotion, we believe, as been an unqualified success in ining publicity and building good. Il for our stores.

On each occasion we engaged the ark and teams for the day, together with appropriate "trimmings," and not a ticket was sold at any price. About 3.000 seats were reserved for our vendors, employes and business associates; the other 36,000 were given free to children between the ages of eight and 16, who won them through a contest calculated to familiarize them with our stores. Children are "the errand boys of today and the customers of tomorrow," and we doubt if there is a child over eight years old in our territory who does not now know Cunningham, or who is not far more of a potential customer than before the parties."

This year the kids saw the Boston Braves play our Tigers, a combination we selected because we knew how delighted the boys would be to see Babe Ruth. He retired from baseball after arrangements had been made, but all other details were as planned. These included a couple of bands, free souvenir program-score cards, a 50% reduction in prices of wares sold by concessionaires, and Al Schacht, the baseball comedian, to entertain during the preliminaries.

(Last year, when we anticipated the World Series by having the Tigers

BYNATE S. SHAPIRO

President, Economical-Cunningham Drug Stores, Inc., Detroit

and Cardinals play for our party, we brought Ty Cobb from California to pitch the first ball, simply to let the children see this famous player of other days.)

Play-by-play descriptions of both games were broadcast by two local radio stations, in exactly the same way and by the same "game-casters" as a regularly-scheduled game. Local newspapers treated it the same as a regular league game—better, in fact, because our games have unusual human interest features that command prominent space as legitimate news.

Tickets were awarded to the children for writing acceptable short essays on why they or their parents like certain specified products sold in the Cunningham stores. All children within the specified age limits, residing in this and two adjoining counties, were eligible to compete. They were not required to make any purchase in order to do so, but they did have to visit a Cunningham store to secure the necessary blank and to return their completed essay to the store in person.

Contestants who failed to win one week might try again, but none could win more than once. To prevent repeaters, we had R. L. Polk & Company check the winners each week and notify them by mail. They then visited a Cunningham store again to secure their tickets—one to each winner and one for an adult to accompany

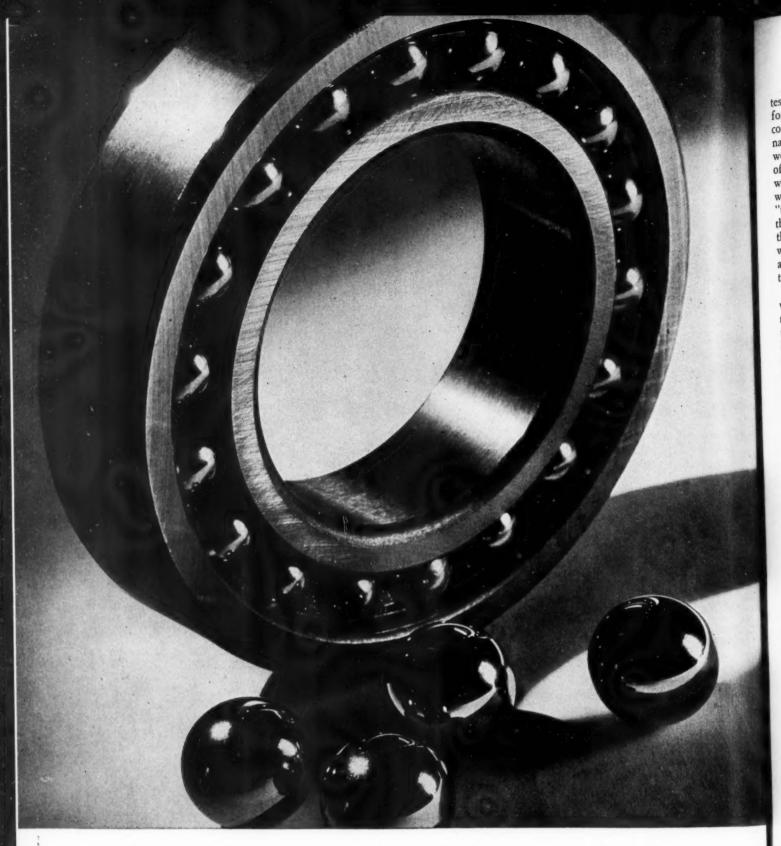
him. Approximately 150,000 essays were submitted each year.

The contest last year lasted four weeks, with only one subject on which to write each week. This subject was announced in a full-page advertisement in the Detroit *News* on Monday and essays on it could be submitted any time that week. The first subject was "Why I Like Cunningham Drug Stores"; the others were on three trade-marked products served at our fountains. No other merchandise was featured in these ads.

That contest was designed to promote the fountain department—and it did so to our complete satisfaction—but in concentrating on this one department we were somewhat neglecting the others.

This year, therefore, though the contest was for only three weeks, there were 20 contest subjects, divided among the drug, toilet goods, cigar and soda fountain departments, and contestants could choose any one of the 20 as a subject during any of the three weeks. In each of three double-truck advertisements in the Detroit *News*, on Wednesdays, contest subjects were marked with a baseball cut to differentiate them from other items also given display.

Contest items were: Cooper razor blades, La Palina cigars, Prep shaving cream, Iodent tooth paste, Kelpamalt, Feen-A-Mint, Alka-Seltzer, Odorono, Dr. West's tooth brush, Vita-Ray cream, Cutex, Calox tooth powder, Dole Hawaiian pineapple juice, Listerine, McKesson's milk of magnesia, Glover's animal medicines, Barbasol shaving cream, Duffy's malted milk, Bost toothpaste, and Vernor's ginger ale. (Two other products were tied in with the party: Coca-Cola took the back page of the souvenir program and the Ford Motor Company furnished two specially painted cars for our use during the contest.) [Cont. on p. 115]



Every story-every article-rounded, tempered, polished for smooth coordination...for the frictionless drive that makes advertising work as pages turn.



The Crowell Publishing Company . . . Collier's, woman's home companion, the american magazine, the country home . . . Combined Circulation Over 8,300,000

A separate, distinctively colored contest blank for each subject provided information about the party, spaces for contestant's name and address and the name and address of the adult who would accompany him if he won, rules of the contest, space in which to write an essay of not more than 25 words, some pertinent facts about it "to help you to win," and a warning that in case of rain on the big day there would be no game, since we would be unable to engage the teams again this season. Two million contest blanks were printed.

Special displays of contest products were made in all stores in the departments included. Every store also arranged an aisle display of the featured items. All stores were especially decorated, of course; price cards were printed against a background outlining a baseball, and all employes wore a baseball insignia inviting everyone to "Ask me about the Big Event, July 9."

Salespeople "Push" the Party

The first ad appeared June 12 and from then until the day of the game we concentrated on the contest items featured. In addition to our newspaper advertising, we ourselves paid "PM's" to our salespeople on all the contest items during the period, and provided other incentives in the form of an assortment of prizes. There were cash prizes for managers and assistant managers in each of the five districts who did the best promotional job and secured the most essays, three cash prizes for stores in each group which sold the largest proportional amount of the contest items, two for the supervisors, one for the window trimmers, and one for the store in each group which had the best and most original interior dis-

Though the Cunningham baseball parties have been inspired by a genuine interest in child welfare, they are business promotion, of course, and have been quite as successful when judged from the merchandising viewpoint as from the philanthropic. Both among children and their parents we are winning good will that is definitely valuable now and has incalculable possibilities for the future. Not only so, but our newspaper advertising is of regular merchandise, sales of which gain enormously from this focus of attention. (It is interesting to note that more manufacturers accepted invitations to the party this year than last, and were unanimous in their praise of the idea.)

Add to these factors the newspaper, radio and word-of-mouth publicity given the party, and it is obvious that the promotion is indeed valuable.

Tested Copy Plan Gets Dealers to Promote Artplus Hosiery

In two months after the launching of a "tested ad" plan for dealer use, more than 400 of the 1,000 store outlets of Artplus Hosiery Mills, Inc., New York, have signed for the service, said Stanley Goodman, general sales manager.

Mr. Goodman believes that the tested feature of the plan will make from 60 to 70% of the dealers regular users of it by the end of this year.

lar users of it by the end of this year.

Because a "Macy success may be a flop in Moberly, Mo.," he explained, different types of copy are tested each time in three cities of widely different population. The first group, for example, ran over dealer signature in one of the ten largest cities, in a city of 101,000 and a city of 18,000 population. Circulation of the newspapers in which they appeared was, respectively, 275,000, 33,000 and 4,600. Each ad was of 300 lines and appeared on page 5 or better. They ran in each city on the same day of the week, one week apart.

Results were checked by comparing sales of Artplus hosiery the day preceding appearance of the ad, the day of appearance, and the day after.

In the store in the largest city 420 pairs were sold the previous day, 1,160 on the day of appearance of Ad A, which was a Tuesday, and 843 the next day. Four hundred thirty-one pairs were sold the day before the appearance of Ad B in that city, 870 on the day of the ad, 632 the day after. In the middle-sized city, the Ad A

In the middle-sized city, the Ad A figures were: 82 the previous day, 320 the day of the ad (a Wednesday), 276 the day after. Ad B; 78, 219 and 112. In the small city, Ad A; 14, 47, 39. Ad B: 15, 26, 24. The ads appeared in the small city on Tuesdays.

The one in each set which pulls best in two or more of the test cities is distributed generally to dealers.

Sometimes there are two, sometimes three tested together, Mr. Goodman said, but always in three different size cities. There will be about twelve "proved" ads in the course of a year. The dealers pay for their insertion.

Artplus Hosiery Mills has been in operation about 15 months. The hosiery are "medium to better" quality, selling at retail from 79 cents up and now distributed nationally.

The "tested ad" plan, Mr. Goodman said, has enabled the company to get about twice as many dealers actively promoting the products as could have been gained without them. Sales have risen proportionately. "... frictionless drive that makes advertising work as pages turn"

that's why

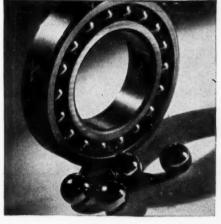
American

••• gained an average of 55,808 single copy sales per month (14.7%)—First Quarter 1935 over First Quarter 1934.

••• gained an average of 127,682 total net paid per month—for the same period.

••• averaged 2,017,308 total net paid for the First Quarter 1935—a 217,308 bonus for advertisers over the rate basis.

These are
the largest gains,
both net paid and
single copy, of any
general magazine,
monthly or
weekly



Radio Starts Bright Season; Prospects Tangled by "Battle of the Tubes"



First August spread in General Electric's million dollar campaign aims to sell the metal tube idea to the public, but plays up other engineering advances, too.

◀HE radio industry—hectic by nature—is agog again. Deeply stirred by General Electric and it new metal tube, important unit of the industry is struggling to prepare for a Fall and Winter season that may prove to be the biggest recent year in radio-or the biggest flop. Nobody knows yet which to expect.

At the moment the industry is divided into two main camps: Those backing G-E and metal tubes; those backing Philco and glass tubes. A scattering few straddlers fall between, promoting a combination metal and glass tube-and sets that use this hybrid-until metal tubes prove themselves.

General Electric started the fuss by introducing the epoch-making metal tube last April (SM, April 20). That was too late for normal easy absorption of so revolutionary an idea this year. Most 1935-36 sets had already been designed.

At that time Philco committed itself definitely to glass tubes in a striking full-page in the New York Times that may have been designed to convince Philco distributors and dealers, soon to go on the annual Philco cruise on which the year's business is signed up -that they could order Philco sets without fear of sudden, last-minute conversion to the new metal tube idea.

However, that may be, Philco alone now sticks to the old tried-and-true

glass tubes and is about to start an advertising campaign "somewhat larger than last year's" to sell along this line if it takes all Winter. Atwater-Kent is announcing a line of sets some of which will be equipped with glass tubes and some with metal. But practically every other set manufacturer has gone in for metal tubes, lock, stock and barrel. Set designs, however, had to be hastily changed to accommodate metal

tubes—perhaps too hastily.

The general feeling is that metal tubes will carry the country, stirring up consumer interest with the first really striking new selling feature in radio in recent years.

The last big revolutionary changes in radio, however, were the screen grid tubes of 1929 and the change, a few years before that, from direct current to alternating current. In both those cases at least six months were used up in getting technical bugs removed. So this year, wise heads of the industry cannot help expecting something of the

That is why they wonder whether set sales-that ordinarily should greatly surpass the 4,000,000 total of last year —will be handicapped by possible early trouble with metal tubes and by conflicting sales arguments between Philco and the rest of the industry. Will public confidence be destroyed?

General Electric, with the new metal tube idea on its hands, already has started the biggest advertising and selling campaign in recent years. Its total radio budget is far greater than that of last year. About \$1,000,000 will be spent in a 50-50 cooperative campaign with dealers, mainly in newspapers, and in a factory campaign to run in 77 newspapers, three national weeklies, have had the \$15

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and in dealer papers.

Advertising started in trade papers in July when distributor and dealer meetings were being held all over the nation. G-E dominated these magazines with two or three double-spreads and with 28 half-pages devoted to the wide distribution set-up through which the company expects to serve dealers. National magazine and newspaper space is to start in August.

Ben Bowe, sales manager, tells SM that G-E this year goes back to the franchise plan for dealers for the first time in three and one-half years. The company, while not adopting an exclusive territory plan for dealers, is selecting them with great care and expects to give them far more pro-tection and cooperation than has been possible in late years when any dealer anywhere could sell G-E sets.

G-E, having doubled its field engineer staff, believes it is in position adequately to train distributor and dealer men so that whatever service problems arise due to the new metal tubes will be handled without difficulty.

Day of "Big Sets" Is Here

As for total sales of receiving sets, Mr. Bowe concurs with most other sales managers in feeling that the hard-times period of selling small, low-priced sets is passing; that the day of big sets has arrived-with average prices ranging around \$100-and that sales this year should be "substantially greater" than those of last year.

This, they think, will be true in spite of the fact that sets equipped with all-metal tubes and the other engineering improvements of the year will sell at retail prices 10% or 15% higher than comparable sets last year.

Thus do the manufacturers of receivers line up for a battle that starts right now. It is really a battle of the

Meanwhile tube manufacturers are "in a peck of half bushels." Of course when General Electric brought out the new metal tube, it became evident that nearly all set makers would demand this new invention . . . and they have demanded it. So tube plants have had to go into production, even though the cost of retooling is heavy (from \$150,000 up, says Hygrade Sylvania Corporation, which has already spent \$500,000 even though its main business is to produce glass tubes for

All of the tube makers who hold RCA licenses to produce tubes-and therefore are licensed to make the new G-E-RCA metal tubes-are doing so except Arcturus and Ken Rad. They are doing it even though they have had to set up production lines for metal tubes in a great rush and without much engineering of their own on the new product. They are driven into the position of blindly following G-E, whether or no.

The demand for metal tubes from set makers puts all these plants onto a mad rush basis of production. They are all hard pressed even to supply tubes for original equipment. sales problem of making and distribut-ing metal tubes for the replacement market has not yet arisen. That will wait until this year's sets begin to burn out metal tubes.

e

Arcturus, striving to produce something original, has given birth to a compromise tube called "Metaglass," which uses a glass envelope surrounded by a metal shield, mounted on a standard metal-tube base. This tube can be used in a socket intended for a metal tube, but it still can be called a glass tube. Zenith will sell certain of its sets equipped with "Metaglass."

The radio industry thus goes into Fall selling campaigns with most of the set makers using metal tubes; with Philco advocating glass; with Zenith and Atwater-Kent trying to stay in the middle of the road. Everybody waits anxiously for the public to cast the deciding vote.

Reprints Available:

"Food Manufacturers Pay A & P's \$6,000,000 Ad Bill"

The demand among subscribers for extra copies of the July 15 issue, containing the four-page insert, on tinted stock, on the advertising allowances and brokerage contracts between A & P and 343 manufacturers, quickly exhausted the supply. We, therefore, made reprints which are available at the rate of 5 cents each.

Tax Exemptions Cause Wisconsin Building Boom— The Heils, Father and Son-Repercussions of Insull - Chicago's Multiplying Bright Spots - Loop's Wholesale Trade Gains at New York's Expense

> This is the third of a series of reports from SALES MANAGEMENT'S field editor, who is making an 11,000-mile trip to survey the nation's economic and social conditions-with special emphasis on current sales problems.

Sales Signposts on the Transcontinental Trail

BY WALTER E. MAIR

Field Editor

Milwaukee, July 5 USINESS interests which find subsidies for "infant industries" excusable, even laudable, are invited to note that Milwaukee, under a law passed late in May, is subsidizing home building. Until someone finds that this is unconstitutional, and confiscatory of the sacred right of loan sharks to exact usury, and politicians to collect taxes on everything from the bowels of the earth to the stratosphere, the assessed value of real property here as of 1935 shall not be increased in 1936 or 1937 by reason of improvements, under the Griswold

That means you build a new home in Wisconsin and pay no taxes on it until 1938; remodel an old one, and your tax remains on the 1935 basis. A vacant lot owner may double the value of his property by improvement; even construct a factory on it. The same exemptions apply. You commence to understand why building is on the up hereabouts.

John H. Black, business manager of the thriving Wisconsin News, is rightly preening himself over a successful fight to increase his lineage, but he has nothing to say about politics and policies, beyond pointing out that Milwaukee, "dread" center of near socialism, has had the same mayor for nearly a score of years, and is in the soundest financial condition under the continued

So cautious have retailers been about placing orders for hot weather items that there threatens to be an actual shortage of electric fans, according to Irwin Maier, advertising director of the Milwaukee Journal. Usually, by mid-June, Milwaukee has plenty of typical "cornbelt weather," with nights calling for abundant artificial breeze and cool drinks.

Shrewd merchandisers, with their eyes on good job lots of fans, may be able to make several turns if general crop conditions here and to the west improve on a scale now indicated. As this is written, early July torridity begins to bear out Mr. Maier's prophecy, made some days ago.

The Wisconsin industrial commission says factory payrolls in Greater Milwaukee were higher in April than since 1929, the aggregate 27% over last year's comparable figure, and 136% greater than for 1933.

For the state at large, 19 of the past 24 months have shown progressive gains. There has been a slackening in retail sales forces recently, which rose 12% in April over March.

March.

The Journal, incidentally, reports gains of average net paid circulation for May against a year ago of 14,112 for the daily, 12,730 for the Sunday edition.

Among the shining examples of what to do with a depression is the Heil Company, of this city. It has made a good many kinds of metal products, switching plans and plant around as it saw what could be sold despite the howls of the wolf.

This establishment has been getting a splendid volume of business in oil burners,

splendid volume of business in oil burners, thanks to astute anticipation of the cost and thanks to astute anticipation of the cost and manufacturing, as well as of mercantile problems involved in entering that somewhat crowded field. I can only hint at what deserves to be elaborated in an industrial publication. But the summation of it is that this is one of those typical Milwaukee institutions of the father-and-son projects where an old family tradition crosses. variety, where an old family tradition craves a minimum of Government pap and pater-

nalism, and a good-sized chance to exercise the family ingenuity.

A depression, according to the Heils, is a dent in the dead level of previous achievea dent in the dead level of previous achieve-ment, wherein to stir up new ideas. Their ledgers prove that they speak with the authority of accomplishment. There is still talk of uncertainty over relief and taxation measures, and their effect on Milwaukee business. Mr. Maier

points out that Wisconsin, early a leader in social security measures, lost important payrolls to the child labor belt down South, when industry of sorts fled before the threat of just what the national government is trying to put across now.

"We were one of the first to put in employment insurance in establishments having more than ten employes, which must set up a fund to provide for it," comments

Mr. Maier.
"The state has been handicapped by in-dustrial losses suffered in leading the way to such reforms. These programs ought by right to be federalized, so that no state socially minded would be at a disadvantage

because of its attempts to meet such issues fairly and squarely.'

Chicago, July 8 Chicago has never lacked for enterprise and Chicago business men are meeting the challenge of new conditions, and of exploded traditions, with a courage worthy of the up-and-at-'em spirit which reared a new city on the ashes of the old.

But Chicago could not plan, in its mushroom growth, against all the more subtle elements of civic menace, or civil disaster, that have overtaken the region west of Lake Michigan since. There still seems to be, except among the thrice-accused extremists, no philosophy to match the startling announcement by Henry L. Nunn, in Milwaukee, the other day that "When a man doesn't know how long his job will last, or how steady it will be, it is ridiculous to say that he should be loyal to the company which employs him." That, if we may coin the paradox, is capitalistic anarchy.

If you substitute in the Nunn statement "the country which takes his patriotism for granted" instead of "the company which employs him" you glimpse a little of what one cannot help feeling after listening to discussions checkered with optimism and

pessimism hereabouts.

Business Tight-Rope Walkers

For instance, I have talked with a former sales manager for one of the big business-machine concerns, who doesn't want to be quoted directly, simply because he hopes before long to effect a new connection with a large concern heavily dependent on Wall Street good will for its anticipated expansion:

"Hell, fellow," he said, "the picture here is clear out of focus and for the next five years at least it will be a wise entrepeneur who keeps expert analysts not only appraising and weighing every factor of the westward drift of capital and enterprise, but also sifting the major social trends of underlying

moment.

I asked him what he meant by this "out of focus" talk, because that is just the impression I had gotten of

the entire Chicago set-up, and I wondered whether our impressions jibed

in major detail.

"Well, let's be blunt about it: This Insull thing was no picnic for tens of thousands of people. Perhaps jail sentences were not warranted for the Insulls, but did it ever occur to you that somebody besides the New Yorker has a right to moan against menaces to the 'timid investor'? When a successful defense against the implications of that gigantic utilities juggle takes the form of a sort of G. A. Henry romance, and Sam Insull takes on the twin halo of a Richard Merriwell of dime novel days plus The Old Man of the Mountain, people begin to have their doubts about the

people begin to have their doubts about the essential soundness not only of our whole business structure, but of the very processes of justice.

"It took a lot of fast work and heavy re-financing to keep the 1933 bank crash here from being lots worse than it was, too. There is still a lot of tight-rope walking to be done, and—with the railroad picture badly muddled, the AAA fighting for its life, and the plain, ordinary citizen, rebelling against the domestic overhead in the city itself—no wonder such firms as wonder such firms

Marshall Field are going out into the high-ways and byways after business. "Chicago will stand on its own feet as the second city in America and with apolothe second city in America and with apologies to nobody, if we can just get by the bogies of a lot of abuses, and criminal exploitation of our resources, but that effort will succeed or fail largely in proportion to how much real buying power is restored to the millions. Such shots in the arm as the Fair are great gestures, but they're like campaign talk—they don't keep business marching unless they're followed up with a program that means putting the money into program that means putting the money into the hands of spenders, rather than hoarders, 'conservers' and plain racketeers."

Most Chicago Indices Good

R. D. Cahn, economist of the Chicago Tribune, points out these significant changes in Chicago's business pic-

Business in Chicago in many lines is the best since 1931. The level of activity is at the culmination of a fairly continuous rise which began nearly three years ago. Dollar volume of retail trade in June was about 2% larger than a year ago, following a less satisfactory month's business in May

when particularly unfavorable shopping weather held down the traffic on State Street. New automobiles sold in the first six months in Chicago totaled 50,661, which was 40% more than in the same period last year. More cars were sold in the first six months than in the entire year 1932 or 1933. The half-year mark beats all records except for 1930, 1929 and 1926.

Factories in June had 302,000 names on the payroll. This is 3,000 more than in the payroll. This is 3,000 more than in June, 1934, and compares with 212,617 at the low point of the depression. Factory workers' wages are seasonally down but currently amount to \$32,000,000 a month, up a million dollars from '34 and up from \$17,706,276 at the depression's nadir.

Although it is not true that as goes meat packing so goes Chicago, in the same sense that as goes the automobile industry so goes Detroit, nevertheless the status at the stock yards potently affects all business in Chi-cago. The meat packers are enjoying the most profitable business in many years. All of them are operating profitably, so profitably that they have been able to call bond issues and issue new obligations at huge

savings of interest.

The steel mills have not been as busy as year ago but the trend is again upward. This lag in heavy industries accounts for the fact that the volume of freight loaded in the Chicago Terminal District was smaller during the past two months than in 1934. The comparison in freight volume, however, has been steadily better than for the nation at large.

Banks are bulging with idle reserves which they are anxious to loan. Cash resources of Chicago banks on June 29 amounted to \$1,094,324,000. This is \$485, 000,000 more than for the same date in 1929 and is the largest in the history of the city. Total deposits of the banks amount to \$2,626,932,000. This is almost double the total for March 25, 1933. The all-time peak in bank deposits was \$2,942,278,000. Building contracts are the largest since 1931 but are still far below normal. Only

in the residential suburbs is the resumption

of construction activities apparent.

Outstanding, from the viewpoint of the Eastern distributor, is the significance of the move to such centers as the Merchandise Mart by concerns making practically every sort of con-sumer goods. The focal point for the meeting of the impact of supply and demand has been more or less artificially maintained east of here for years; the periodic journeying of buyers from everywhere to New York 'openings' was a rather expensive anomaly of the later years of the inflationary days.

From the angle of its function in the economic set-up, Chicago is destined to gain rapidly through a shortening up of the lines of communication and reaction between consumer and producer. The Eastern markets for years have had in their favor one main argument, that they served the population capitals, and could merchandise to the maximum of responsive consumers

with a minimum of time loss.

Buyers No Longer Trek to N. Y.

But the stock ticker has long since ceased to synchronize with a slowed economic pulse-beat. Hence, we note the following schedule of mid-western showings, beyond which thousands of buyers will probably not inquire in their preparations for anticipated Autumn upturns:

Summer furniture market, July 8-Summer floor covering market, July 8-20. Summer lamp market, July 8-20. Gift show, July 29-August 10. Glassware, china and pottery market, July 29-August 10. Housefurnishings and electrical appliance market, July 29-August 10. Wash frocks, children's and infants' wear show, July 29-August 10. Ready-to-wear show, July 29-August 10. Drapery manufacturers' exhibit, July 8-20. Other lines are continuously exhib-

ited, and flexibly adapting themselves to the nuances of style and price.

SALES MANAGEMENT

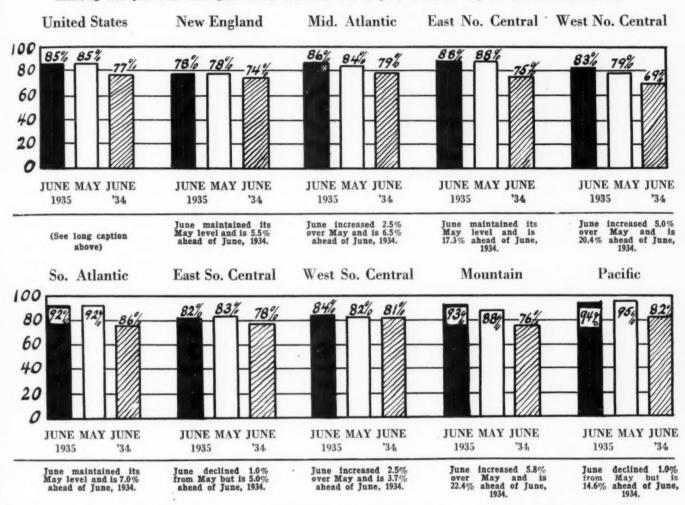
Sales Management's Sectional Index of General Business

(By Geographical Census Divisions. Monthly Average 1923-25=100)

BY RAY B. PRESCOTT

(The state of business expressed in terms of percentage approach toward the "normal" average of the years 1923-1925. The horizontal bar represents normal. The designation of districts follows the standard breakdown used by the Bureau of Census. The index numbers used, as determined by Ray B. Prescott, are a weighted composite of bank debits and retail sales.)

UNITED STATES: In spite of the unsettled condition created by Washington, general business continued at its May level and remains 10.0% over June of 1934. The activity of the motor industry has been the principal factor in keeping general business at its present level. The settlement of the soft coal controversy and increased activity of steel have helped June business successfully to resist disturbing developments in Washington. Several sections showed no gains at all, but only two showed minor declines.



New Additions Broaden "Required Reading" on Sales and Advertising

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The Formation of Capital. By Harold G. Moulton. Published by the Brookings Institution, Washington, D. C. Price \$2.50.

Who's Who Among Association Executives. Published by Institute for Research in Biography, New York. Price \$8.50.

How to Package for Profit. By C. B. Larrabee. Published by Harper & Brothers, New York. Price \$3.50.

How to Run Better Sales Contests. By M. Zenn Kaufman. Published by Harper & Brothers, New York. Price \$3.50.

Financial Organization and Administration. By W. Mackenzie Stevens. Published by American Book Company, New York. Price \$4.00.

The Great Depression. By Lionel Robbins. Published by the Macmillan Company, New York. Price \$3.00.

Rise and Fight Again. By Samuel Merwin. Published by Albert & Charles Boni, Inc., New York. Price \$1.00.

Introduction to Advertising. By Arthur Judson Brewster and Herbert Hall Palmer. Published by McGraw-Hill Book Company, New York City. Price \$2.00.

Getting Along with People. By Milton Wright. Published by the McGraw-Hill Book Company, New York. Price \$2.50.

Marketing of Manufactured Goods. By Newel Howland Comish. Published by the Stratford Company, Boston. Price \$3.00.

The Adventure of Progress. By Hartley W. Barclay. Price \$1.00.

Introduction to Business. By Edwin H. Spengler and Jacob Klein. Published by the McGraw-Hill Book Company, New York. Price \$3.00.

Federal Securities Act Procedure. By J. K. Lasser and J. A. Gerardi. Published by the McGraw-Hill Book Company, New York. Price \$4.00.

Move Your Merchandise. By Kenneth Goode. Published by Greenberg, New York. Price \$2.00.

Advertising of Hotels. By Clarence Madden. Published by The Hotel Monthly Press, Chicago.

Advertising Layout and Typography. By Eugene de Lopatecki. Published by The Ronald Press Company, New York. Price \$3.00.

The Principles of Marketing. By Henry F. Holtzelaw. Published by Thomas Y. Crowell Company, New York. Price \$3.75.

August 1, 1935



'WAY BACK IN '28-

of the department store advertising placed in the two leading newspapers in the Newark market, 57.5% was published in the New-ARK EVENING NEWS. Last year the preference went to 67.1%; and from January to July this year it was slightly more than 70%. Wouldn't you say two and one-third times more copy was indisputable concentration? We do! The department stores learned that one medium can do up brown the job of reaching and selling their market. A lot of other advertisers have already taken the leaf out of the book. What are you doing?

Newark Evening News

NEWARK, NEW JERSEY

O'MARA & ORMSBEE, INC., General Representatives, New York, Chicago, Detroit, San Francisco, Los Angeles.

Gebhardt Tests Money-Back Guarantee in Coast Sales Drive

JUST what have the past five years done to the honesty and personal economy of the average American citizen and his family? Is there today a new crop of "chiselers" whose petty greed makes it unprofitable and dangerous for a manufacturer to guarantee his merchandise without question? How has the situation in general, as it applies to the fundamental honesty and fairness of the American public, fared during the past five years?

These questions were strong in the minds of the management of Gebhardt Chili Powder Company, San Antonio, Texas, because the company had contemplated the use of an unusual money-back guarantee as a feature of a new merchandising and advertising program. The answers to these questions would determine much as to the future plans of the company. If the situation had changed radically, the offer proposed might react to the

serious loss of the advertiser.

The basis of the proposed campaign was to offer the public, without reservation, not only its money back but double the money paid for any can of its featured products, if for any reason whatsoever the products did not come up to the buyer's expectations.

All Ads in Color

After trying out the offer briefly in Dallas, the company selected Los Angeles as a logical metropolitan city in which to give the campaign a real test. The advertising broke during the latter part of May, at the beginning of the naturally dull season for chili products. It was timed in this manner purposely, according to George G. Geyer, secretary-treasurer and general manager, because the company concluded that if the program would sell chili products at the beginning of the hot season, then it would be especially reliable during more favorable seasons.

The campaign started with twocolor full pages in the Los Angeles Evening Herald and Express and continued in color in this medium exclusively.

Typical of the double-your-money-back appeal was a full page advertisement with this heading and lead: "The Best Chili Con Carne You Ever Tasted! . . . and Gebhardt's proves it with this daring offer—'Double Your Money Back If You Don't Say Yourself that This Is the Best Chili

You Ever Tasted!"

A "box" in one corner of the ad. vertisement explained the offer in detail: ". . . Go to the nearest grocery store or delicatessen. Pay the regular price for one can of Gebhardt chili con carne con frijoles. Serve it tonight in steaming bowls, on Gebhardt's tamales, or in any way you like chili best. If you sincerely do not believe it is the best chili con carne you ever tasted, write your reasons on the label, with your name and address, and mail before midnight Monday, June 3, 1935, to Gebhardt Chili Powder Company, San Antonio, Texas, who will return twice what you paid. . . . This 'double-your-money-back' offer is limited to one can to a purchaser."

Campaign Lengthened Season

The campaign formed the backbone of a special selling drive in the Los Angeles territory, the proposed program being outlined to dealers to convince them that they should restock heavily on chili rather than curtail as they normally had done in the past.

Gebhardt salesmen distributed 5,000 reprints of the opening color page to dealers. These reprints were used by dealers liberally in arranging special Gebhardt floor and wall displays. Each salesman was armed with proofs of all of the advertisements, to show to what extent the company was going to boost its special double money back offer.

"These proofs and the reprints of the big opening advertisement enabled our men to interest hundreds of dealers in ordering chili right at the beginning of Summer," explains Mr. Geyer, "when normally they would have been doing all they could to reduce their stocks in preparation for the normal dull chili-selling season.

"Preliminary reports from that territory indicate that the campaign not only aided us greatly in stocking dealers at a time when they were not thinking of additional stocks, but it moved chili off the shelves and into the hands of consumers in a satisfactory manner, thus lengthening materially our normal season on the Coast."

Only eight people sent in labels and requested their money back doubled. More than that number wrote in voluntarily to express their appreciation of the company's products. One writer stated that he would still consider he had more than his money's worth had he paid twice the price.



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WELL WE'RE NOT BAD OFF...
BUT OUR FARMS AVERAGE LESS
THAN HALF THAT, AND ONLY
ONE IN FOUR OF US MADE
THAT MUCH!

OF THE FARM
WEALTH MUST BE SCATTERED OVER ALL THIS AREA

Only 20% of the Farm . . . But 37% OF AMERICA'S FARM WEALTH IS OWNED IN THESE EIGHT STATES!!

If you want to concentrate your advertising on the farm folks who have the money it's easy now. One single Unit of five farm papers reaches the richest major farming area in the world, with close to 80% coverage. It is the Midwest Farm Paper Unit

Paper Unit.

The five Midwest Farm Papers circulate 1,135,507 paid copies among the 20% of America's farm families who own 30% of the nation's farm passenger cars—28% of the farm trucks and 42% of the farm tractors. And, while these papers deliver coverage of more than 76.7% of all Middle-Western farmers, they cover the well-to-do, expensively-equipped truck and tractor owning type of farmer even more intensively—with 82% coverage of truck owners, 83% of tractor owners. Throughout this farm area they deliver more than twice the effective

influence of any other medium.

There's a reason, for these are the papers the good farmers—the money-makers—read first of all. Midwest Farm Papers alone are edited to give these farmers local, specific money-making information. They are the only papers close enough to this area's farmers to discuss the immediate problems of Middle Western farmers at the time when these problems are hot.

As a result you can use Midwest Farm Papers in black and white—and soon in color-rotogravure—with unparalleled effect both from the standpoint of coverage and that of avid interest.

Ask the nearest Midwest Farm Paper

Ask the nearest Midwest Farm Paper Unit office to send a man with the facts on what these farmers have to spend and how you can influence their spending of it. You'll find it an eye-opening experience.

MIDWEST FARM PAPER UNIT

The Prairie Farmer

The Nebraska Farmer

The Farmer & Farm, Stock and Home

Wisconsin Agriculturist & Farmer

Wallace's Farmer and Iowa Homestead

OFFICES:

6 North Michigan Avenue, Chicago

Detroit 3-258 General Motors Bldg. New York 250 Park Ave. - 420 Lexington Ave. San Francisco 1548 Russ Bldg.



AUGUST 1, 1935

Interest in A & P Special Contracts Stimulated by Pending Patman Bill

(Continued from page 99)

under these conditions, would probably continue to promote their own private brands, but would be compelled to handle the products of manufacturers advertised to the consumer through general space in newspapers, without penalty to the manufacturer."

Before going on to an analysis of the Patman Bill let's get down the comment of an adroit slackwire-performing head of a large New York advertising agency:

"Unfortunately, I have some clients who are on one side of the fence and some on the other, so that I cannot express my business point of view but must confine myself to my personal reaction, as follows:

ALL NON-COMMISSIONABLE ADVERTISING IS UNCONSTITUTIONAL STOP ALLOWANCES TO RETAILERS OTHER THAN THOSE WHICH CARRY FIFTEEN PER CENT COMMISSION ARE A COMMUNISTIC MENACE AND SHOW THAT THE ROOSEVELT ADMINISTRATION IS GOING SOCIALISTIC STOP ADVERTISING OTHER THAN THAT DIRECTLY UNDER MANUFACTURERS CONTROL IS IMPEDING RECOVERY AND IS UNQUESTIONABLY PART OF RED PROPAGANDA FINANCED FROM MOSCOW.

Underlying his facetious telegram is some wishful thinking, and his comment is illustrative of the point of view of a large group which would benefit if advertising allowances were done away with.

The Patman Bill; Its Purpose

The now famous "pink sheet" inserted in the July 15 issue of SALES MANAGEMENT originated in a Congressional committee headed by Wright Patman, Texas, who is the sponsor of H. R. 8442, a bill:

"Making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors."

The bill is written as an amendment to the Clayton Act. The clause which has perhaps the greatest meaning to manufacturers and store executives is: "(c) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless—

"(1) such payment or consideration is offered on proportionally equal terms to all other customers competing in the distribution of such products or commodities—" etc.

Under the terms of the bill quantity discounts would be allowed, provided that they make "only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing quantities in which such commodities are to such purchasers

Wanted: 100 Copies of Sales Management for July 15!

Because of the sensational material which appeared in the July 15 issue, the entire press run of SALES MANAGEMENT was sold out before noon of July 16.

To fill urgent requests from many manufacturers and advertising agencies who have a special interest in that issue, the editors will pay 40 cents a copy—twice the price of the magazine—for the first hundred undamaged, unclipped copies mailed in. Many big sales organizations have multiple subscriptions, and the editors thought it possible that some subscribers who can use issues belonging to other members of the same firm, might be willing to part with their personal copies.

Please mail to Circulation Manager, SALES MANAGEMENT, 420 Lexington Avenue, New York City, carefully wrapped, with your name, firm and address plainly marked on the envelope. sold or delivered and provided further that nothing contained herein shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade."

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The bill has been attacked from various quarters on constitutional and other grounds. It has been endorsed in principle, but not as drawn, by the Associated Grocery Manufacturers of America. The National - American Wholesale Grocers Association likewise endorsed it in principle, but is offering a substitute bill.

The chief proponent of the bill has been the United States Wholesale Grocers Association, and the president of that body has approved substitution of two amendments in the bill, designed to overcome arguments that the bill is in violation of constitutional requirements laid down by the Supreme Court in the Schechter case decision.

Suggested Amendments

The first amendment changes the provision of the bill seeking elimination of price discrimination, adding the proviso that such prohibition "shall not to be construed to permit differentials based on differences in quantities greater than carload lots."

The second substitution deals with the extent of damages a merchant may seek in the courts following injury because of special rebates, "brokerage" fees, pseudo-advertising allowances, etc., on the part of a seller to one of the merchant's competitors.

The amendment specifically provides that such damages are "presumed to be the pecuniary amount or equivalent of the prohibited discrimination, payment, or grant involved in such violation" unless proof of greater damage is shown

Final hearings were held July 24 in executive session with Chief Counsel William T. Kelley of the Federal Trade Commission as the witness. Whether the Trade Commission's legal adviser favored the bill or not was not disclosed by the members of the Committee

Meanwhile further investigations by the House "Super-Lobby" Investigation Committee into chain stores has temporarily gone into eclipse, although it is understood that investigators for the Committee are quietly continuing their investigation of the so-called lobby which the committee charges was to be set up with the idea of influencing Congressional action in favor of the large chain store groups.

Opponents of the bill have charged that the proviso in the bill that preceding provisos shall not be construed to permit differentials based on differences in quantities greater than carload lots, is so sweeping as to nullify both preceding provisions and virtually abolish all quantity price differentials in interstate commerce. Such drastic limitations, it has been held, applied to all branches of industry and trade would amount to a total abrogation of long established business practices, with attendant hardship and confusion.

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But bill proponents charge that the measure would not seriously affect the principle of price differentials for larger quantities if it can be shown that the cost per unit of manufacture is lower for the larger quantity. In other words, if it is clearly demonstrable that it costs less per unit to manufacture and sell 10 carloads of a commodity than it does one carload, the applicable price differential is allowable.

The question of enforcement of the proposed amendments to the Clayton act is likewise important. Enforcement would undoubtedly rest in the hands of the Federal Trade Commission, although it has been suggested that every merchant affected see to his own enforcement. In other words, the small merchant who has evidence that he is being discriminated against in price as compared with his next-door chain store competitor, might bring ordinary civil suit in Federal court for damages thus sustained or alleged and, if able to prove his case, secure a judgment against the manufacturer. This has been the view of the proponents of the bill in discussing the enforcement of the measure and pointing to the fact that it will give the small non-chain merchant an opportunity to compete with the vast power of chain stores.

Protests-Outside Chain Field

One apparent weakness of the bill is its sweeping character and that by its provisions almost all industry and commerce would be affected by the restrictions imposed. This brought violent objection from many fields outside of the chain stores-mining, manufacturing, raw material producers of all kinds, and a host of others. Most of these made it plain that they were not personally concerned with what legislation was needed in the chain store field, but asked the Committee to observe that, if correction of faults was needed in the chain store field, the legislation should be aimed specifically at that field and not embrace the entire field of interstate commerce.

There are indications that the Committee has taken these objections to heart and that the bill, when reported, may be limited strictly to the chain store groups and products they sell.



Actual photograph* of a top executive giving up to a competitor—

F course he thinks that by rearranging his sales territories and putting new quotas into effect for the men, he's really sort of stealing a march on competition. Actually, (because his basic data are wrong), he is simply making it easier for hot competition to lick him. Because when he gets done his sales army won't be arranged according to buying power, sales opportunities and business conditions. Some of his men are going to be sore at their quota set-up and just quit.

He is going to discover—too late—that in setting sales quotas and realigning geographical boundaries he needs the help an outside research organization can give. An organization with thousands of expert field workers. An organization with wide experience in making marketing studies and gathering the real facts and statistics upon which to base safe and profitable quotas. In other words, an outside organization such as M.R.C.A.

If he insists that he alone has the inside knowledge needed to set quotas, at least he ought to be open-minded enough to let us show him how and what we do. Why, our President even wrote a book on quota setting!

* Not really — but this artist's model poses for scenes like these. SEND FOR FREE COPY of "TWELVE CASE HISTORIES," a compilation of recent and actual situations solved by market research—proof, from fresh pages of commercial history, that this method "prevents those wrong decisions (based upon faulty facts) which cost time and money."

MARKET RESEARCH

Formerly Percival White, Inc., and Arnold Research Service, Inc.

Rockefeller Center, N. Y. City 120 S. La Salle St., Chicago

Prevents those wrong decisions, based upon faulty facts, which cost you time and money

MEDIA and AGENCIES

Are "Spots" Effective?

A large national advertiser who is considering the use of spot radio announce-ments for one of his products asked SM what we knew of the experiences of other national advertisers with this medium. asked several. Of those who replied we

1. That generally they consider their spot announcements to have been effective, and 2. Usually in their own right, without

the help of other media;

That the spots range in length, as a rule, from 50 words to three minutes, and in number from one to six a day:

And that there is considerable difference of opinion on the value of large and small stations, in relation to cost.

One question which the advertiser asked 'If you used any spot announcements before 8 A. M., do you think they were effective, and if so, do you have proof of their effectiveness?

Only one of those to whom SM submitted this question made definite answer, and this was in the affirmative. Another said he had used this time but had "no definite record

of its value.

The advertising agency of our inquirer meanwhile was asking questions of a group of small stations throughout the country. Few had any spot accounts on the air before 8 A. M. (One of these was Ford Motors.) None could provide information as to re-

sponse for this period.

The stations were also asked what time of day they considered best and second best for spot announcements. This brought a re-markable degree of disagreement. Some "it depends on the product" (women's products in the morning, for instance, men's in the evening). One rated "before noon" first. Another placed 6:15 P. M. first, 12.30 P. M. second. Still another said 11.30—12:30, first, 5 to 6, second. One said "early morning" and "after 6" and one said "12 to 1." And one replied, "directly preceding, during or following Transradio and Associated Press news broadcasts.'

Advertisers who said simply "yes" in reply to the question of effectiveness of spot broadcasting for their products were Shell Oil, Chrysler (export division) and

General Baking.

Marcus Conlan, advertising manager of Porto Rican American Tobacco Company and affiliated companies, pointed out that "spot announcements have been successful for our Blackstone Yankee and Blackstone Panatela cigars on the Yankee Network and various Northeastern stations. They were not particularly effective on Nurica and Portina cigars on Southern stations and we have discontinued them. We have not had an impressive reaction to spot announce-ments on La Palina cigars."

J. J. Lambert, assistant advertising manager, Gillette Safety Kazor Company, applied "yes" on effectiveness, and added, "especially when our announcement was Gillette Safety Razor Company,

We found spot radio announcements had considerable merchandising value," reported W. W. Tomlinson, advertising manager, Scott Paper Company, "but it was very difficult to trace their consumer value. must be borne in mind, however, that our only spot radio campaign extended over but two weeks and, therefore, the oppor-tunity for real consumer value was quite limited.

General Baking and Chrysler said their spots were effective in their own right.

Since "they gave rise to special featuring of our products by our dealers," said

Scott, "to this extent they were successful in their own right." And Porto Rican re-plied: "Where effective, they are entitled to the major part of the credit as they had

little supplementary advertising."
Gillette and Shell, however, found their value chiefly as a supplementary medium. In Gillette's case they were an addition to newspapers and magazines. In Shell's, spots were used with a variety of other

media.

Number of spots a day varied from one to four in this group. (Bulova Watch uses from two to six spots daily.) One advertiser replied, "two or three a day for several months." Others were "three a day, Mondays through Fridays, for at least three "four a day for fourteen days"; 'usually once a day, seven days a week."
The last of these (Porto Rican) used a

variety of periods on its different spot series. These included time announcements, station breaks, weather reports, radio News Service, where available," and before and after Press Radio News.

Shell and Gillette stood out definitely in favor of large stations, in relation to cost. Chrysler and General Baking definitely preferred small stations on this basis.

Scott's answer, admittedly "largely a guess," was that it "would depend on com-"largely a petitive influences. A small station in some markets commands a good audience, while in others it is completely submerged by other dominating stations. We would be however, to favor the larger inclined, station.

Porto Rican American pointed out that, generally speaking, the larger stations offer more in relation to cost than the smaller stations because of the habitual audiences of the larger stations. However, smaller stations carrying live news service at a time when there is nothing strongly competitive on the larger stations seem to us to be a better buy.

Although favoring the larger stations, Fred C. Foy, advertising manager of Shell Oil, said that "we believe there is certain public resentment to a sponsor of spot announcements when they are sandwiched in between entertainment and acceptable programs, and, for this reason, we are inclined to question their use from a policy stand-

Agency Death Rates

Lynn W. Ellis of the Westport Management Institute has made an interesting study of advertising agency mortality. He finds that of 129 new agencies announced during 1931 and 1932 only 25 are in existence today—a death rate of 23% per year. Of 357 "little feller" agencies canvassed in August, 1932, by A. S. A. Net-

work members as possible affiliates, only 48% are in business today—a mortality of 17% a year. Of 622 listed by SALES MANAGEMENT in 1926 as having at least two recognitions-the top third of 1,836 agencies then alive-45% are missing today, or 5% a year.

Perhaps the death rate might be cut down if agencies in other cities followed the plan of eight progressive St. Paul agencies. They are running a consistent newspaper schedule on why it pays to advertise, urging business men to call in one of these competent advertising agencies.

New Radio Magazine

Radio Today, New York, due to appear September 15, will be the newest publica-tion designed to cover the entire radio industry- production, merchandising, broadcasting and television. O. H. Caldwell.

Federal radio commission and recently editor of Electronics and contributing editor of Radio Retailing, will edit the magazine. Maurice Clements is publisher. These two men for years have been the editorial and business heads of the McGraw - Hill radio group of magazines. The new publication will start with 2,000 circulation, partly



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O. H. Caldwell

paid. The publishers will try a split-scale The scale on "mer-will be somewhat of advertising rates. chandise for resale" higher than rates to advertisers of service parts and materials.

Following the resignation of Mr. Caldwell from the McGraw-Hill editorial staff as of August 1, Keith Henny became editor of Electronics. Publishing Director Howard Ehrlich said the magazine is to be expanded editorially by 16 pages, beginning with the September issue. Circulation is also to be extended. R. V. Sutliffe becomes editor of Radio Retailing, and W. W. MacDonald, managing editor.

New York Post to McDevitt

The George A. McDevitt Company, which has acted as national representatives of J. David Stern's Philadelphia Record and Camden Courier-Post since 1930, now acts in a similar capacity for the New York Post.

Agency News

Congratulations to the New Idea Spreader Company, farm implement manufacturers, on electing Colonel William M. Mumm, president of the company's advertising agency, to the board of directors. Charles K. Swafford, until recently vicepresident of the National Hotel Management Company, Inc., has resigned that posi-tion to form the advertising agency of Swafford and Koehl, Inc., with offices at 551 Fifth Avenue, New York. . . . To Cecil, Warwick & Cecil goes the account of Julius Kessler Distilling Company, Inc., fully owned subsidiary of Joseph E. Seagram, Inc. . . . The Charles W. Hoyt Company, Inc., gets Dromedary dates, and the balance of the Hills Bros. Company of New York account.

Benton & Bowles, Inc., have been ap-pointed to handle the advertising of Minit-Rub, a Bristol-Myers product. . . Cal-Aspirin Corporation, Chicago, has appointed Reincke-Ellis-Younggreen & Finn. . . To Dorrance, Sullivan & Company goes the account of the old established Hunter Baltimore Rye Distillery, Inc. . . . Erwin, Wasey & Company, under the direction of Arthur Kudner, will handle the advertising of the Buick Motor Company, effective immediately.

Advertising Distributors Survey
Advertising Distributors of America, Inc.,
meeting in New York during the fortnight,
decided on a program of expansion including a special department to perform dealer
and consumer surveys and merchandising
service. They have also added a creative
service department for planning sales literature for direct-to-the-home distribution.

Magazine Notes

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The McFadden Publications have instituted a Division of Marketing and Research, under the direction of Everett R. Smith, who has been for the past year and a half in charge of similar work for Liberty magazine. Harold F. Clark, formerly promotion manager of the MacFadden Woman's Group, has been appointed promotion manager of True Story. . . Paul Christian, recently assistant general manager of the Washington Post, has become business manager of the Farm Journal, and W. B. Wiemers has been appointed Western advertising manager. Walter B. Pitkin has been appointed editorial director of the magazine.

From the *Time-Fortune* office come two interesting announcements: *Fortune* is giving an annual award of \$1,000 in cash and an appropriate certificate each January to the individual "whose achievement as an administrator during the preceding year" seems to the editors most worthy of praise.

The March of Time, pioneer radio program of news dramatizations, will return to the air this month on a schedule of five fifteen-minute evening broadcasts weekly over the WABC-Columbia Network. The series will be presented on alternate nights by Time Magazine and Remington-Rand,

Household Magazine is launching a nationwide window contest for all druggists in small towns who have ratings over \$3,000. The magazine offers \$1,000 in cash prizes, and the rules provide that only merchandise regularly sold in drug stores and advertised in Household Magazine during 1935 can be displayed.

Illinois Hits Deceptive Ads

On July 2 Governor Horner of Illinois signed House Bill 143, which modernizes the statute prohibiting untrue, misleading and deceptive advertising. All types of advertising media are covered in the statute, which calls for a fine of not less than \$10 nor more than \$100, or 20 days in jail, or both.

Dispatch Tops Coverage Record

The Columbus Dispatch announces with pride that every evening 113 Dispatches are "paid for, read and believed" for every 100 families in Columbus. The paper claims that no single newspaper in any city of any size in the country gives so complete a city coverage.

Economist Promotes Corsets

The July issue of Dry Goods Economist boasts 11 new corset advertisers as the result of a special corset promotion. Ernest Hastings, the publisher, invited corset buyers from 18 leading department stores to meet at the Commodore Hotel to serve as a Corset Jury to preview the new Fall offerings of manufacturers. Although it was not necessary to advertise in the Economist to have the opportunity of showing

before the Jury, most of the manufacturers took advantage of the opportunity.

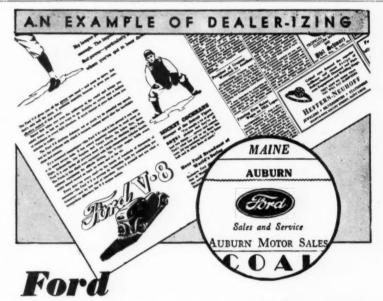
Modern's Sweeping Guarantee

Modern Magazines have gone the whole hog in guaranteeing that readers will be satisfied with their purchases of every packaged product advertised in their group. Messrs. Delacorte and Henry leave themselves no "outs." The guarantee states that "if for any reason you are dissatisfied, Modern Screen [Editor's Note: The same goes for every magazine in their group.] will replace the product, or, if you prefer, refund your purchase price. In either case all you have to do is to send us the unused portion, accompanied by a letter outlining youh complaint. This guarantee also applies if the product, in youur opinion, does not juustify the claims made in its advertising in Modern Screen." Such a guarantee, it seems to the editors, will be rather embarrassing to the proprietors of Consumer's Research.

"Tropper" Sales Top 2 Million; Outdoor Workers Best Buyers

More t han 2,000,000 "Troppers," the new type of "air-conditioned" hat introduced at the 1934 World's Fair in Chicago, had been manufactured and sold this year by the Hawley Hat Company, of St. Charles, Illinois, up to July 25. The plant is now working three shifts daily turning out about 25,000 every twenty-four hours.

More than 2,000,000 "Troppers," sold to workers on a single government project in California. These hats have had their biggest runs in the smaller cities, at beaches, and among out-of-door workers. So far the inhabitants of larger cities have been somewhat backward in taking them up.



Ford <u>Dealers</u> Advertise <u>Locally</u> in the Same Medium

For years, Ford automobiles have been nationally advertised in The Christian Science Monitor. Last year 1223 advertisements, placed in the Monitor by dealers in various localities, featured "Ford" and "Lincoln". This illustrates how the Monitor not only gives national advertisers a circulation of unusual value, but also offers nation-wide point of sale advertising at no added expense.

THE CHRISTIAN SCIENCE MONITOR

Published by The Christian Science Publishing Society Boston, Massachusetts

NEW YORK OFFICE - 500 FIFTH AVE.

Other Branch Offices: Chicago, Detroit, St. Louis, Kansas City, San Francisco, Los Angeles, Seattle, Miami, London, Paris, Geneva, Milan.

A DAILY NEWSPAPER FOR THE HOME

Magazine and Radio Expenditures

Special Report Compiled for Sales Management by Advertising Record Company, Chicago

		NATIONAL	MAGAZINES	NETWORK RADIO BROADCASTING					
	July Mont	thly Totals	July Cumul	lative Totals	June Month	ly Totals	June Cumulative Total		
CLASS Product Classifications	1935	1934	1935	1934	1935	1934	1935	1934	
1—Automotive Industry	\$1,435,194	\$1,385,564	\$8,208,097	\$8,385,585	\$275,369	\$309,391	\$2,116,514	\$1,958,611	
2—Building Materials	163,004	171,305	1,512,791	1,274,042	21,040	25,934	138,878	83,187	
3-Cigars, Cigarettes and Tobacco	590,870	454,216	3,533,521	2,977,864	284,112	187,180	1,820,452	2,068,181	
4-Clothing and Dry Goods	298,282	281,135	2,491,136	1,969,526	31,132	21,704	181,565	176,110	
5-Confectionery and Soft Drinks	263,464	177,681	1,453,936	935,672	30,057	80,436	774,386	703,544	
6-Drugs and Toilet Goods	1,741,929	1,884,329	14,362,843	13,579,465	1,195,662	1,021,916	8,761,839	6,823,031	
7—Financial and Insurance	247,205	222,483	1,861,972	1,466,410	27,754	36,849	229,992	344,364	
8-Foods and Food Beverages	1,503,378	1,606,984	10,617,302	11,374,831	912,300	829,166	6,951,162	5,896,535	
9—Garden and Field	26,469		482,221	392,732	Nothing	Nothing	21,200	28,481	
10-House Furniture & Furnishings.	451,757		4,563,767	3,980,625	37,104	11,629	367,012	289,544	
11—Jewelry and Silverware	78,383		666,378	706,718	4,708	Nothing	25,886	11,773	
12-Lubricants & Petroleum Products.	351,317		1,586,764	1,344,442	261,754	202,197	1,615,299	1,456,530	
13-Mach., Farm Equip. & Mech. Supp.	82,211	31,919	466,720	226,729	Nothing	Nothing	8,494	15,040	
14—Office Equipment	77,532		730,159	591,186	Nothing	Nothing	52,719	133,856	
15—Paints and Hardware	56,577	88,149	621,475	731,108	19,383	12,532	128,821	119,124	
16-Radios, Phonographs & Mus. Instr.	88,073	98,135	636,670	605,611	80,032	32,634	540,163	244,307	
17—Schools & Correspondence Courses	143,520		943,259	816,971	8,780	Nothing	22,993	Nothing	
18-Shoes and Leather Goods	100,247		948,429	852,515	Nothing	Nothing	47,449	Nothing	
19-Soaps and Housekeepers' Supplies	558,721	651,252	4,033,941	4,158,762	206,726	177,623	1,273,826	1,058,404	
20—Sporting Goods	218,385		1,008,440	916,721	Nothing	Nothing	Nothing	Nothing	
21-Stationery and Publishers	137,643		1,132,938	1.013,935	16,030	47,849	213,824	158,550	
22—Travel and Hotels	330,021		2,666,066	2,404,861	4,512	16,180	46,150	80,473	
23-Wines, Beer and Liquors	310,698		2,051,525	1,432,308	25,193	71,416	157,868	270,026	
24—Miscellaneous	226,914		2,050,693	1,746,484	5,926	19,160	145,099	90,545	
	-								

\$9,481,794 \$9,199,719 \$68,631,043 \$63,885,103 \$3,447,574 \$3,103,796 \$25,641,591 \$22,010,216

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Note—The National Magazines checked total 77 publications, 11 weeklies and semi-monthlies, and 66 monthlies. The monthly totals on national magazines are based on July issues for the monthlies, but including Vogue. The other weeklies and semi-monthlies are June publications. All figures are based on the one-time or single insertion rate.

Note—The Network Radio Broadcasting figures cover all national or chain broadcasting carried over the networks of the National Broadcasting Company and Columbia Broadcasting System. The figures cover facilities only and do not include the columbia of the columbia broadcasting System.

Taking Chicago First, UDL Speeds National Conquest

(Continued from page 100)

In working out quotas for the distributors or wholesalers, seven factors were considered: Average income, wet votes, bank deposits, income taxes, local liquor type preferences, population per square mile, and expenditures on general merchandise. The number of outlets in each territory is not a factor, since UDL has found that as outlets increase in proportion to population, volume per outlet declines.

For example, there are 10,000 liquor outlets in metropolitan Chicago and only 1,200 in the whole state of Minnesota. Metropolitan Chicago is only about twice as populous. Thus in Minneapolis, it was said, a 25-case order "comes easily" in due course. In Chicago, on the other hand-where a lot of fruit-and-vegetable and cigar and drug stores have liquor licenses and where the same license can be used for on-premise and off-premise consumption-one-half to one case may be the average initial order, and five cases are considered "good," even after the line becomes popular. If a small Chicago retailer buys three bottles he may be increasing his stock 10%. A case or two might double it! Of UDL's 100 salesmen, all sal-

aried, about half function as missionary men. Tackling the "toughest market of all" first, 65 functioned as missionary men. Virtually all had missionary men. previous liquor sales experience, plus specialized UDL sales training. (And this training, for all the salesmen, continues in the form of weekly meet-

As a territory is opened, some of the missionary men are supplanted by regular UDL salesmen, and some remain to work with them. The others are sent into new fields. Distributors, as appointed, agree to give special emphasis to UDL, particularly during the introductory month. Hanging plaques, for bars and restaurants, window and counter display material, and a variety of consumer literature, including a cocktail book, are made available by UDL and distributor salesmen to the dealers.

The definite advertising program, which is being conscientiously carried out, and the theme on which it is based (which is a basic policy more than a theme) have been factors in winning both wholesalers and retailers.

In each state the leading markets are entered first, and the advertising started there, because of the influence these have on other markets in those sections. What happens in Minneapolis and St. Paul, for example, means something in Duluth. And Racine, Madison and Kenosha watch Milwaukee closely.

The only changes which have come thus far in this comprehensive planned" marketing program have been in the addition of markets not originally included.

After the first month of consumer advertising UDL places special men in the package stores to ascertain the consumer's acceptance and brand familiarity-the effect which the advertising has had on his subconscious mind. In Chicago, within 30 days, three out of five people entering package stores and checked, knew UDL.

In each market consumer sales have been larger each week than the week before. The dealers' mark-up averages 33 1/3% on the blends, less on the higher-priced bonds and Scotches.

UDL calls its products the "mutual profit line." Products and a program that "click" must be that way.

By offering grocers special displays for related picnic products, Robert A. Johnston Company, Milwaukee, has stimulated the sale of its cookies during the Summer months. Special material for use in high spot displays permits the customer to help herself. Grocers have taken kindly to the display, since it enables them to feature mayonnaise, pickles, cheese, peanut butter, and other merchandise which goes into the picnic kit. The Johnston picnic cookie package includes five varieties of cookies and four yellow napkins. Newspaper advertising is being used to promote the sale of it.

Milwaukee Sausage Makers to Run Joint Ad Campaign

Ten sausage makers, members of the Milwaukee Sausage Manufacturers' Association, have launched a cooperative advertising campaign in the Milwaukee market. The campaign will run for one year and copy will appear exclusively in The Milwaukee Journal.

Copy is of an institutional nature and lays particular stress on quality. Dealers are being furnished with window decalcomanias which carry a reproduction of the seal and the slogan, "We Sell Quality Foods." Manufacturers participating have pledged themselves to rigid standards of quality and, so long as they maintain quality, they are privileged to use the association's red, white and blue tag carrying the organization seal on one side and the manufacturer's emblem on the other. Contributions to the campaign are based upon tonnage.

Manufacturers participating are: Harry Ziemer Company, Badger Sausage Company, Weisel & Company, Charles Hess Sausage & Provision Company, Alvin Wagner, Fred E. Lins, Inc., Frank & Company, Milwaukee Sausage Company, Emil Noehre Company, and Schaaf Sausage Company. Space, amounting to 560 lines weekly, Inc.

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How Do Shifts in Media Affect Cigarette Sales?

(Continued from page 102)

nothing on radio to spending almost as much as the leader, Lucky Strike; yet it did not move Chesterfield to second place until the next year. Whether one admits that this was the motivating factor is, of course, a question.

Percentage-wise the same general situation holds, except in 1932, where, because of a radically decreased total expenditure in these media and a comparatively stable expenditure in radio, the percentage of Camel's appropriation, as well as the fact that Chesterfield went into radio in a big way, mixes things up somewhat. Everyone spent a much larger percentage of appropriations for radio that year.

Again (see table on "Percentage

Again (see table on "Percentage Distribution of Advertising Expenditure in Three Media"), there is a definite correlation between percentage of appropriation spent for radio and the relative sales positions of the three brands, which relationship holds in no other medium.

Does this mean that radio affects sales to this extent? Does it really

mean that if you spend more for radio than your competitor you will sell more than he does, regardless of the relation of your expenditure to his in other media? These are certainly questions which the figures raise; but they cannot, of course, be answered by this one example of inductive reasoning. It is, however, either a striking coincidence or a subject deserving further study. Two brands in relative places for five years would not be remarkable, three brands for one or two years would not cause thought, but three brands maintaining relative positions related to radio expenditures for four out of five years, in contradistinction to any other medium, means something.

Personally, we are not prepared to say just what. Not only would it be pretty unscientific for us to draw conclusions from such limited data, but it certainly would be undiplomatic. However, here are the data which we believe to be relatively correct and we invite everyone else's interpretation or explanation and more comparable data to be so analyzed.

Tyriver Promoted by C-P-P

Robert E. Tyriver has been appointed Eastern divisional sales manager of the Toilet Article Division of Colgate-Palmolive-Peet Company. Mr. Tyriver was formerly district manager of the company's Toilet Article Division in Dallas.



OMAHA Makes More Butter Than Any Other City in the World!

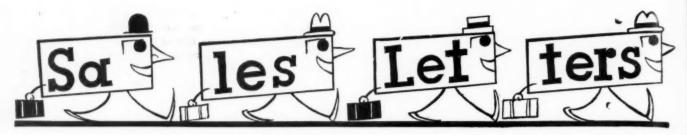
Over 40,000,000 lbs. of butter is made in Omaha annually. 108 creameries throughout Nebraska produce over 100,000,000 lbs. each year. This, and other food industries, employ many thousands of well-paid workers, making Omaha one of the very richest markets.

You can cover the Omaha market, thoroughly, with only I newspaper. The World-Herald is delivered personally to more than 84% of the families in Omaha . . . reaches over 76% of all the city-and-town homes in its 12-county No. I market, including Omaha . . . reaches an additional 60,000 throughout Nebraska and Western Iowa.

Local merchants, National advertisers and Classified users all agree the World-Herald is FIRST in Omaha for advertising results. They use far more space in the World-Herald than in the 2nd paper.

CIRCULATION, Daily, 127,109—Sunday, 124,017 (Apr., 1935)
O'MARA & ORMSBEE, INC., National Advertising Representatives





BYMAXWELL DROKE

"Let's Get Acquainted" Letter That Brought 66% Returns!

In these sultry Summer days, if our mental battery has sufficient life to turn over at likely to generate thoughts of Canadian breezes. So, with our all, it is likely to generate thoughts of cooling Canadian breezes. So, with our usual flair for doing the right thing just a little late, we present a letter issued early last Spring by Firth Brothers, Limited, "The Always-Busy Tailors," of Hamilton, Ontario. The letter comes to us through the

courtesy of the Direct Mail Advertising Association, and was dispatched to Firth representatives throughout the Do-

"This is a 'Hello, there!' letter. Hello to you from us.

money were a little more plentiful, we would like to drop more in and see you and talk over business and anything else we have in common. Perhaps you would

smoke one of our cigarettes, and, if the time were right, have lunch with us.

Maxwell Droke

That isn't possible at present. So let's do the next best thing and get acquainted by mail.

"We would like to know just what sort of a fellow you are. Perhaps you would like to know us better. Here's our pedi-

"All members of this firm are Canadian born, of Scotch descent. (That's why you get so much one-cent mail from us.) We enjoy business; even in losing years, we get quite a kick out of it.

"In the Summer, we golf a little and bowl on the green. In the winter, we curl —can make up a fourth at badminton and play a little bridge. We talk any of these games better than we play them.

'We can take ours with water, but prefer soda-but not too many; just one, or at the outside two.

"We are getting to the stage where a grate fire and the newspaper or radio look good to us.

"Now, what about you? That outline of our activities was so hard to condense, we thought we would get our printing department to get up a questionnaire to aid you in telling us about yourself. There is nothing set or stiff about this. Just answer what you want to answer—or ignore the questionnaire, and tell us in a letter. Anyway, let's get acquainted.

"Light up one of the cigarettes we are mailing you and drop us a line."

Attached to the letter was an ingenious questionnaire (sorry we haven't space to reproduce it here), and a small package of cigarettes accompanied the mailing. I'm told that about two-thirds of the representa-

tives responded in friendly fashion. Which is considerable of a record for any ques-

Warning: Buyers Flee from High-Pressure Return Cards

From time to time I observe mailings which incorporate a return card reading something like this: "Without obligation to us, have your representative call and demonstrate your proposition." This is followed by neat little spaces for the date, hour and official to be contacted.

Now, I am frankly curious as to how this

Now, I am frankly curious as to how this plan works out. In all cases that I have been able to track down, results have not been very encouraging. I think the psychology is rather faulty. The vendor is pushing us just a little too rapidly. In the first place, few of us care deliberately to expose ourselves to an attack of high-pressure salesmanship. In the second place, we sure salesmanship. In the second place, we dislike to set a specific date and hour for a demonstration. We feel that this implies a definite obligation on our part to see the representative at the time specified, even though, in the interval, other more pressing matters may arise.

Much better, it seems to me, is a less binding form of inquiry. Something like this: "Yes, I'd like to know more about the Whoosis Self-Opening Door. Without obligation, please give me full particulars." This is, in effect, an invitation for a salesman to call. Yet it does not place upon the prospect an uncomfortable degree of pressure.

Such cards do not scare off the more timid prospect who may hesitate to invite a sales attack. But I think an even more a sales attack. But I think an even more important consideration is the fact that sooner or later you will wish to call on many prospects who have not returned a card. If your card is worded to invite a salesman's call, the prospect may very properly say, "Ah, I thought you folks called only by appointment. What's the idea? I didn't mail in that card."

Selective Appeal Touches a Live Nerve in This Letter

Because I have had much to say on the advantages of a selective appeal, I am especially interested in this letter which the DeWitt Clinton, Albany, New York, hostelry, has despatched to a list of newspaper, magazine and trade journal publishers in the Eastern territory. Note how, with the first paragraph, a strong point of contact is established:

From the looks of newspapers and magazines these days, advertising generally is

zooming, right along with our own business. Only hope it keeps up for all of us.
"Thinking about advertising and such like, it struck me that your firm, in traveling men in this territory, should know about the DeWitt Clinton hotel. For beyond question the DeWitt is THE prestige hotel

You know how important it is to have

your men stay at the right kind of hotels. Not only from the standpoint of their own personal pleasure and comfort as an end to better work the next day, but from the standpoint of the people they call on. Your men staying over in Albany will never need feel in the least ashamed to say: Tm staying at the DeWitt Clinton.

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"And while we're at it, I want to go on record with the thought that I, personally, and my entire staff will do anything in our power to make both you and your men supremely pleased with your accommoda-tions whenever you stay here.

"The enclosed folder tells quite a story. Read it critically as a piece of advertising copy—or, from the viewpoint of a man who might be planning a trip to Albany in the near future. Either way, you'll find it different from the usual hotel folder.

"Only hope some new accounts begin breaking around here, or some old ones loosen up in the near future. For honest, I'd like to see your name, or that of one of your associates or salesmen, on the register right soon."

Reading Iron Sends Statement of Price Policy to Jobbers

With increasing interest, these days, in price maintenance, special importance attaches to a bulletin which the Reading Iron Company has distributed to its jobbers, as of July 6, 1935.

Following a general dissertation on the evils of price cutting, Reading says: "The Reading Iron Company, after a full and careful study of the situation, has reached the definite determination that, to the full extent permitted by law, it will not allow the just popularity which its products have gained and enjoy to be used by price cutters for their own selfish purposes. Ac-cordingly, the Reading Iron Company hereby announces its policy, effective forthwith, with respect to the resale prices of Read-ing Genuine Puddled Wrought Iron Pipe that it may refuse to make further sales of this product to any jobber who shall fail to observe the minimum resale prices sug-gested by it in the enclosed card. . . .

"In order to make clear our legal right to declare and enforce this policy, we quote, on advice of counsel, from a decision of the United States Supreme Court which decided that a manufacturer

'may withhold his goods from those who will not sell them at the prices which he fixes for their resale.

We call particular attention to the fact that the law does not permit us to accept from you any assurances or promises that you will conform with the suggested mini-mum resale prices, this notice being merely a notification of our determination to enforce the policy herein stated."

Actually, this is not a new departure for Reading Iron, since the company first adopted a firm price policy in March, 1929. The bulletin is, however, a reaffirmationand possibly a strengthening-of policy.

Methods that Pull Companies Ahead of Goose-Step Competition

(Continued from page 105)

However, after all competitors are using price as a sales argument, price loses its lure, and then it is easier to sell on a quality appeal. Astonishing as it may seem, a quality product always has less competition. Few manufacturers have the stamina to maintain quality standards, when most of their competitors are using price as the backbone of their sales story.

That is the condition in the razor blade business at present. Nearly all blade makers are vying with one another in seeing how cheaply they can sell their blades. Into this battle steps a newcomer, the Personna Blade Company, and prices its blade at one dollar for a package of seven, or more than three times the price at which the average blade is retailing today. If the company had entered this market with just another blade, it would soon have been lost in the fight. Instead, it reasoned that in a price-ridden industry the best way to step out from the crowd is to feature a quality product. Discriminating consumers soon tire of a price appeal and bring their patronage back to a seller who is telling a convincing quality story.

Find a New Sales Story

It is astonishing how frequently we find all companies in an industry using identically the same sales argument. A well-known sales consultant made a study of an industry that, let us say, manufactures lighting devices. At the time there were eight or ten leading companies in the field. The analysis soon developed that all of them were employing just three sales arguments. It was claimed that these three points summed up all that could be said about the line.

The consultant's client was using these same arguments, although it was subsequently revealed that this concern's product had exclusive features. Because of these features, the investigation disclosed, this particular device was used in many places where none of the competing devices could be employed satisfactorily. One of the features of the product is that it operates silently. This made it ideal for installation in theatres, churches, halls, schools and hospitals where noise might be a disturbing factor.

When the study had been completed this company had an entirely new and original sales story and one that could

not be used by the rest of the industry. Thus, a few months' study furnished this manufacturer with the means of lifting himself out of a competitive rut.

It is an axiom in market research that any investigation, if it is thorough enough, will let a client know of many ways in which his product is used that he did not know about. This is particularly true of an industrial product. But it is also applicable to consumer products, even to foods. I have known of companies who found housewives using their tapioca or their gelatine or their rice or their fish balls or their syrup in the preparation of toothsome dishes that the manufacturer never heard of.

These discoveries make excellent sales stories. They generally elevate the concern employing them above competition. It is true that competitors will catch up with them in time. But the alert manufacturer, who continues his research, will constantly be digging up new facts about the use of his product, which, if he puts them to work promptly, will always keep his competition trailing him.

E. F. Copp, when he was general manager of a division of the Chase Brass & Copper Company, told me that is the principle he follows in keeping a business out of the bog-mire of price competition. By constantly bringing out new products or redesigned products or repackaged products, it is possible to get the jump on competition. He said that, of course, competitors, or at least the more progressive of them, will eventually play the same tricks, but it will take them a year or two to do it and by that time the originators will have established their leadership and stolen the show from their tardy rivals.

Profits in a Unique Package

It was a fortunate break for me that my first job was with the Towle Log Cabin Syrup Company, whose famous product was packed in a cabin-shaped can. That can always kept Towle from hugging the competitive dead-level in the syrup business.

Competitors imitated Log Cabin in every imaginable way and succeeded in approximating its sales story in a number of respects but they never could hurdle the barrier of the Log Cabin can. And they have not to this day. Log Cabin, now a unit in General Foods, still stands out from the competitive level like Omaha in a horse race.

I say I was fortunate, because early in life I learned that the only way to beat competition is not to play with it, but rather to hold aloof from it, to

Good News for Readers of Market Research!

Read this list of articles to appear in forthcoming issues, and ask yourself whether YOU DON'T NEED MARKET RESEARCH IN YOUR BUSINESS:

The Function of Market Research in Product Development by C. M. Chester, President, General Foods Corporation

Market Research in the Building Industry by E. L. Gilbert, formerly editor, American Builder and Building Age

The High Cost of Bad Research by Kenneth Laird, Vice-President in charge of Advertising, Western Company

Market Development in the Cotton Textile Industry by Charles K. Everett, Manager, New Uses Section, Cotton Textile Institute

A Way to Pre-Test Magazine Advertisements by Marshall Allen, Advertising Research Staff, Sunset Magazine

Marketing New Products by Pauline Arnold, Market Research Corporation of America

Canadian Grade Labeling and Market Research by Henry King, Cockfield, Brown & Company, Ltd., Montreal

New Products by William Spraragen, President, Spraragen Engineering Corp.

Famous Fiction Writers Scout Research by Peter Waring

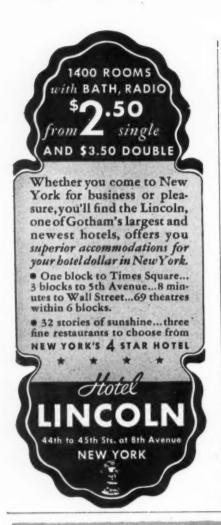
Developing New Chemical Extinguishers
by R. C. Iddings, President, FyreFyter Company

The Modus Operandi of Art and Industry by John Vassos, Industrial Designer

The Factor of Age in Consumption by Paul F. Lazarsfeld, University of Vienna

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be different from it, by using entirely different methods.

Many companies have got out of the competitive tug-of-war by redesigning their packages or by trying to get an original container, just as the Towle Log Cabin Syrup Company did. I am strong for package designing. I am always advising manufacturers to call in professional designers and have their packages done over.

Yet, in seeking new packages, many companies err in that their new packages take them into competition with others in their industries, instead of taking them out of the competitive whirl. Modernizing a package should not be the objective sought. The objective should be to get a "different" package, one that will stand out. With this purpose in view, sometimes the thing to do is not to redesign the package but to keep the old one. It may have more individuality than any of the newer packages being used in the industry. Scott's Emulsion is an illustration of what I mean. It is packed under an old-fashioned label and in an old-fashioned carton, but how it does protrude with commanding dignity from a druggist's shelves. I think it is a mistake for any manufacturer to redesign either his packages or his products, just to be different or so as to outwit competition. Redesigning should always have either an aesthetic or utilitarian purpose—that is, make the produce easier to use or more attractive to look at. If either of these purposes is sincerely sought, the chances are the redesigned product will do much more to defeat competition than if the job is done merely as fanfare.

There is no one or two or a dozen ways to lift any business from the level of competitive mediocrity. I could fill a book with stories of how it has been done, and no two of the methods described would be alike, Take Colonel Louis Bertrand Goodall, who died the other day. He was certainly in a competitive line—worsteds. Then he originated Palm Beach cloth, and immediately his business soared above the crowded paths that competitors trod.

N

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Another New England manufacturer had a dozen able competitors. The product of all of them was pretty much the same. For some unexplainable reason, however, all these manufacturers gave their product polysyllabic names that were difficult to pronounce and harder to remember. The New England representative of the industry left the pack by the expedient of giving his product a short, simple name.

New Marketing Method Won

Many companies have got out of the competitive goose-step by giving an original twist to their marketing methods. One concern found all its competitors concentrating on the upper 25% of the prospects in the industry's markets. It is doing a more profitable business than any of them by going after the lower 75% in those markets. The funny thing about it is that, although it has been doing this for years, they have not yet caught on to what this company is doing.

Frequently all competitors will be selling through identical distributing channels. I know of more than one manufacturer who broke away from competition by seeking neglected marketing channels—channels that were eager to do business with responsible manufacturers.

There is actually no end to the methods that might be used to sidestep competition. I don't claim that all manufacturers can solve the evils of cut-throat competition in this manner. But a lot of them can. And nearly every one could alleviate the rigors of competition in this way.

CHICAGO A WISE VACATION CHOICE

A vacation in Chicago will afford you complete relaxation, diversion and amusement. Cool Lake Michigan cruises! World-famed Art Institute, Field Museum, Shedd Aquarium, Adler Planetarium—all within walking distance of The Stevens—the perfect vacation hotel! Here are air-cooled dining rooms—roof promenade—roof sun bathing—children's Fairyland—everything for pleasure and comfort. Special weekly rates. Write for details.

STEVENS WORLD'S LARGEST HOTEL

Single rooms with bath from 3.00—Double rooms with bath from 4.50



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Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accom-panied by the purchase price, should be mailed direct to the publishers.

Twelfth Survey of Greater Milwaukee Market Available

For 12 years, the Milwaukee Journal has prepared an annual barometer of current buying habits of the Greater Milwaukee Market. Giving the brands and quantities used, as well as store distribution of the various products by brands, the study is based on a return of 6,500 families, or is based on a return of 6,500 families, or 3.5% of all families in Greater Milwaukee. It goes a long step further, however, than the usual mail survey, in that the housewives were requested to bring their questionnaires in person when completed, to the Journal Building, where each questionnaire was checked to insure completeness of replies. (As a reward for their cooperation, each housewife was given a large shopping bag filled with packages of well-known products.) Products covered in the survey include: Automotive, of well-known products.) Products covered in the survey include: Automotive, building and equipment, groceries, household appliances, tobacco, toiletries and miscellaneous. A full-page analysis of each type of product is given, with comparison on usage and distribution extending back for several years. On "package coffee," for instance, the running commentary shows the increase in usage of packaged coffee over the previous year; the leading brands; total number of brands; tendency of grocers to stock a greater number of of grocers to stock a greater number of brands than formerly; total volume with pounds used per family; and a detailed analysis for 19 brands plus miscellaneous. analysis for 19 brands plus miscellaneous. Similar information is given for each type of product. As complete and detailed as any market study dealing with the products covered, this 100-page book is of value to all marketeers. Write for Consumer Analysis of the Greater Milwaukee Market, addressing C. R. Conlee, Manager, Business Service, The Milwaukee Journal.

Woman's World Subscribers Reveal Brand Preferences

30,150 women filled in a questionnaire which was published in the March issue of Woman's World, and thereby gave that magazine a clue to the buying and recreational habits of its audience of 1,214,232 families. Advertisers distributing nationally and the state of t ally should be interested in receiving the information, published in loose-leaf form, entitled 1935 Woman's World Subscriber Questionnaire. Products include, among others: Nursing bottles, flour, automotics biles, canned vegetables and fruit, beans, catsup, hand lotion, deodorants, mouth

wash, face cream and powder, lipstick, tooth paste, soaps and linoleums. As is probably no surprise to Hollywood, movies of romance hold a good lead over comedy and mystery. And while a trip to the World's Fair claimed over 2,000 of these subscribers in their one- or twoof these subscribers in their one- or two-weeks vacations, a trip to the country was the goal of nearly 10,000—the mountains and beaches proving even less attractive. Over 10,000 took no vacation at all—a point which Woman's World is no doubt impressing on those advertisers who lighten their attack during the vacation months. Copies of this survey are available through George H. Hands, Eastern Advertising Manager, Woman's World, 461 8th Avenue, New York City.

Prize Catalog for Contests

Sales managers who use or contemplate contests, with prizes of standard merchandise, should write for a copy of Marshall Field & Company's latest prize catalog. Titled "Sales Awards—Prizes for Achievements," and printed without the name of Marshall Field & Company as the source of the hundreds of articles illustrated the the hundreds of articles illustrated, the catalog can be placed in the hands of the sales organization as a complete guide to all merchandise prizes available. The range of articles is complete, with prizes expensive or within easy reach, for the salesman himself, his family, and his home. Values of articles are shown in points, representing the actual cost. Instructions, including method of ordering, shipping, accompany method of ordering, shipping, accompany the catalog. Address Marshall Field & Co., Department of Special Business, Merchandise Mart, Chicago.

Business Is Flourishing in "The State Nobody Knows"

Manufacturers with distribution in the Middle West, manufacturers engaged in plotting sales potentials throughout the country—as who isn't—should take time out to verify the claims just published by the Des Moines Register-Tribune for the state of Iowa. According to The State No-body Knows, "Iowa is well along the road of business recovery . . . is actually in the vanguard among markets in spending money now for automobiles, electric refrigerators, gasoline, oil, tires, foodstuffs, drug products, insurance, building materials, etc. . . .

Furthermore, this recovery has the element of stability. It is not stimulated to create a demand that may be ephemeral. . . ."

Farm income, the major source of Iowa spending power, reaches its peak for the nation, for the first quarter of 1935, in this table. New car sales are up souring. Comstate. New car sales are up, soaring. Comparisons with Nebraska and Minnesota in parisons with Nebraska and Minnesota in sales of electric refrigerators, retail food sales, drug sales are impressive. In the matter of relief, Iowa proudly points to the fact that the state government is shouldering a large part of the cost, and that, with only 9.6% of its population on relief, the general welfare of the state is relatively better than in 40 other states . . . that only three states receive a smaller percentage of relief funds from the Federal government. Industrial as well as farm income factors are covered in this study, as is also urban and farm newspaper circulation available through the Register-Tribune. For copies, Write J. S. Swan, promotion manager, Register-Tribune, Des Moines, Iowa.

Speaking of Rural Markets

Speaking of rural markets which are favorably affected by the rise in farm in-come, Iowa and the twelve Mid-Western states which Successful Farming terms the "heart" states, are analyzed in two recent monographs put out by that publication. With the U. S. farm income for the first quarter up 17%, the "heart" states show an increase of 33%. Data on live stock prices, rural store sales vs. city department store sales, and eash farm income, condensed and illustrated from government sources, show "cash money" on the farms of this area which will greatly affect many sales curves. For copies, write R. C. Ferguson, Successful Farming, Des Moines, Iowa, requesting The Reserved Chair and Farm Income booklets. come booklets.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order.

EXECUTIVES WANTED

FROM COAST TO COAST

Confidential Service Bureau for Executives and Professional Men. High Salaried Men wishing to improve or seeking employment. Moderate fee to be paid to finance Direct Mail Campaign. Refund provided for. Send name and address to R. H. Bar and Co., Dept. H., Book Bldg., Detroit, Michigan.

SALARIED POSITIONS \$2,500 to \$26,000. This thoroughly organized advertising service of 25 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo N. Y.

FOREIGN MARKET RESEARCH

AUSTRALIAN MARKET FOR YOUR PRODUCT Experienced investigator leaving in few weeks to make survey of market for American goods. Write for particulars. L. Skattebol, Box 1866, Seattle, Wash.

POSITION WANTED

FOR FUTURE ACTION—CLIP AND SAVE. FOR IMMEDIATE ACTION-ANSWER NOW.

Advertising Manager Sales Promotion Maanager Met. N. Y. Sales Manager

Food and Beverage experience with largest nationally known concerns. Present connection not conducive to loyal, efficient work. University Graduate. 35. Married. \$5,000 to start. Box 434. SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

WINNIPEG

GIBBONS KNOWS CANADA



FTER NRA-WHAT? As pointed out in these columns before, the death blow dealt to NRA by the Supreme Court did not and does not mean that legislative or executive regulation of industry is a dead issue. A case in point is the bill, already passed by the House, which provides the successor authority for the Federal Alcohol Control Administration (FACA), which formerly operated as an appendage of NRA. Incorporated in this bill, which is expected to pass the Senate without many important changes, are certain definite provisions with respect to trade practices and advertising which not only savor of NRA in spirit and practice, but which indicate how NRA principles can be and very possibly will be revived in various other lines of business. In other words, where such provisions formerly came under the codes of the liquor industry, parallel provisions are now imminent as direct law. Among the significant phases included in the pending law, which come under trade practices, are these: (1) Prohibiting of exclusive outlet contracts and indirect means for attaining the same end, such as giving of financial assistance, acquiring an interest in the retailer, or by furnishing, renting or selling to the retailer any equipment, fixtures, signs, supplies, money or other thing of value, or by advertising credits, guaranteeing of loans or undue extending of credit; (2) commercial bribery; (3) consignment sales. . . . The significant phases in the pending FACA law (under the Treasury Department) which relate to both advertising and trade practices provide: (1) Accurate representation as to quantity, quality and type of product; (2) prohibiting of deception regarding manufacturing processes, analyses, guarantees, etc.; (3) prohibiting disparagement of competitors' products or statements that are false, misleading, obscene or indecent; (4) prohibiting deception based on improper use of names, testimonials, etc.; (5) prohibiting statements in advertisements which are inconsistent with statements required on labels. . . . Obviously the alcoholic beverage industry represents one of the most difficult to handle as regards both trade practices and advertising. But the experience of FACA (as formerly set up) with similar trade practice and advertising provisions was sufficiently successful to indicate that the new legislation with respect to FACA may go quite a way toward setting the future style for other industries.

AN PRICE DISCRIMINATION BE ELIMINATED? Representative Patman in the House and Senator Robinson in the Senate—two really important Congressional figures—have introduced parallel bills which seek to make it unlawful for business concerns "to discriminate in price or terms of sale between purchasers of commodities of like grade and quality" and to this end to prohibit special commissions, pseudo advertising allowances, etc. The avowed aim is to protect independent merchants,

the public, and manufacturers from exploitation by unfair competitors. . . . Certainly this involves a big question and one which should receive the earnest attention of the Congress, whether in this session or a later one. Almost every important economic factor in the country has become organized and vociferous as regards legislation for its special benefit or protection. Farmers, labor, veterans, utilities, railroads, banks and numerous other interests have taken the initiative in the promulgation of aggressive policies. In line with this same trend and in keeping with the battle which has been waging for many months in quite a few state capitals and in some city halls, the chain store interests have been banding more closely together and simultaneously the independent retailers and the wholesalers have been presenting more and more of a solid front, . . . It has long been a question as to whether the chains actually operate more efficiently or whether they seem more efficient because of their ability to buy from manufacturers, directly or indirectly, at substantially lower prices. There is probably much to be said on both sides and the real answer, very likely, lies somewhere between the two. . . . The Patman-Robinson bills do not seek to control or fix prices but only to prevent differentials in prices to buyers of identical quantity and quality. Both bills also seek to eliminate so-called advertising allowances, except those which are offered identically on the same basis to all proportionate buyers. . . . Penfield Seiberling (prominent in the tire industry), speaking before the Association of National Advertisers, on May 8, said in part: "The elimination of independent dealers would mean the shifting of \$17,800,-000,000 or 71.2% of the total annual retail business of this country from independent proprietors to chains. This shifting would vacate 1,349,000 stores and buildings, or 88% of the total, and demoralize rentals and realty values. It would wipe out 1,544,000 proprietors responsible for spending \$4,589,000,000 just for general operating expenses, and release approximately 1,500,000 salesmen whose estimated salaries and expenses amount to \$4,500,000,000."

ever become so dominant, but it is likely that to thousands of independent retailers the special price advantages and allowances given to the chains represent the difference between mere subsistence and a decent profit. . . . The Patman-Robinson bills may not be perfect when they emerge from committee, but they are a step in the direction of reasonable control. We think that every reader of SALES MANAGEMENT has a stake in their passage. Your Congressman can supply you with a copy of the original Patman Bill,

H.R. 8442, with additional committee amendments. The bill is analyzed in a leading article in this issue.

Pay Bill

How Did You Use the Survey of Spending Power?

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\$50 Cash Prize for the Best Letter!

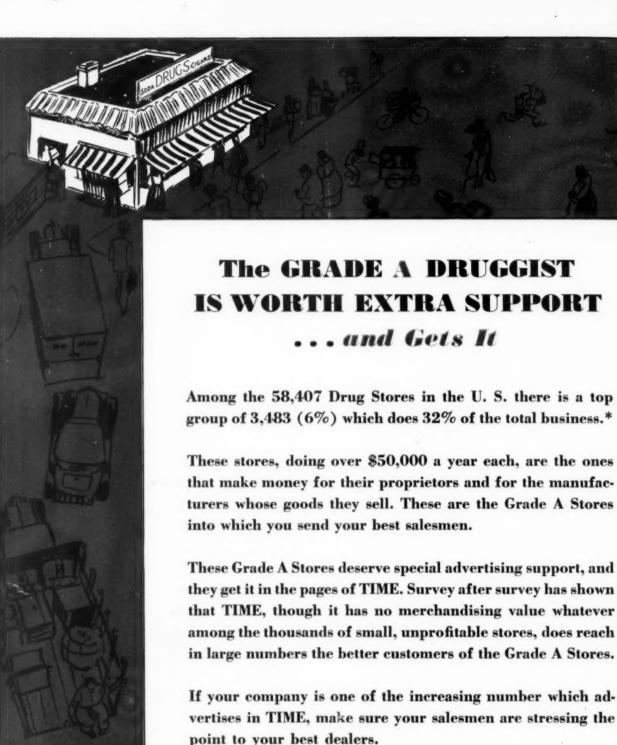
Q We are now planning next year's Survey of Spending Power. We wish to make it as practical, as helpful, to our readers as possible. We will be helped if we know how you used this year's issue.

Q How was this Survey used in your business? What feature did you find most helpful? How might the Survey be improved next year?

Q Was this Survey used for setting sales quotas? . . . Allocating the advertising appropriation? . . . Checking salesmen's results against potentialities? . . . Defining sales territories? . . . Checking media circulation figures against income and sales? . . . Locating new outlets—etc., etc.?

Q For the best letter on how this year's Survey was used and how it might be improved still further, we offer a \$50 cash prize; \$25 as a second prize; \$10 as a third prize, and three consolation prizes of \$5 each. The contest is open until October 1. The editors of SALES MANAGEMENT will be the judges.

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